Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

CIMC ENRIC

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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2018	2017	Change
	RMB'000	*RMB'000*	%
		(Restated)	
Revenue	**5,649,719**	4,633,140	21.9%
Profit attributable to shareholders	**308,353**	76,817	301.4%
Basic earnings per share	**RMB0.159**	RMB0.040	297.5%

The Board of Directors (the "**Board**") of CIMC Enric Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") announces the unaudited financial results of the Group for the six months ended 30 June 2018 together with the comparative figures for the corresponding period in 2017.

The interim financial results are unaudited but have been reviewed by the Company's independent auditor, PricewaterhouseCoopers, and the Audit Committee.

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2018 – unaudited

		Six months ended 30 June	
		2018	2017
	Note	***RMB'000***	*RMB'000*
			(Restated)
Revenue	4	**5,649,719**	4,633,140
Cost of sales		**(4,771,067)**	(3,882,662)
Gross profit		**878,652**	750,478
Change in fair value of derivative financial instruments		**(4,319)**	7,435
Other revenue		**130,572**	86,665
Other income/(expenses), net		**20,179**	(17,033)
Net impairment reversal/(loss) on financial assets	5(iii)	**7,339**	(15,016)
Selling expenses		**(178,668)**	(166,218)
Administrative expenses		**(419,499)**	(347,375)
Profit from operations		**434,256**	298,936
Finance costs	5(i)	**(30,344)**	(42,779)
Impairment provision	6	**–**	(105,549)
Profit before taxation	5	**403,912**	150,608
Income tax expenses	7	**(89,265)**	(71,960)
Profit for the period		**314,647**	78,648
Attributable to:			
Equity shareholders of the Company		**308,353**	76,817
Non-controlling interests		**6,294**	1,831
Profit for the period		**314,647**	78,648
Earnings per share	8		
– Basic		**RMB0.159**	RMB0.040
– Diluted		**RMB0.157**	RMB0.039

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2018 – unaudited

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Profit for the period	**314,647**	78,648
Other comprehensive income for the period		
Items that may be reclassified to profit or loss:		
Currency translation differences	**(18,738)**	57,847
Total comprehensive income for the period	**295,909**	136,495
Attributable to:		
Equity shareholders of the Company	**289,615**	134,664
Non-controlling interests	**6,294**	1,831
Total comprehensive income for the period	**295,909**	136,495

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2018 – unaudited

	Note	**At 30 June 2018** *RMB'000*	At 31 December 2017 *RMB'000* (Restated)
Non-current assets			
Property, plant and equipment		**2,586,743**	2,590,329
Construction in progress		**142,040**	129,917
Investment property		**18,614**	18,981
Lease prepayments		**584,985**	508,963
Intangible assets		**213,122**	230,136
Investment in associates		**3,685**	5,755
Prepayment for acquisition of equity interests		**50,000**	–
Goodwill		**270,326**	273,926
Deferred tax assets		**112,089**	104,070
		3,981,604	3,862,077
Current assets			
Derivative financial instruments		**949**	298
Inventories		**3,470,255**	3,053,574
Contract assets	2(c)	**1,339,651**	1,051,728
Trade and bills receivables	9	**2,607,842**	2,980,045
Deposits, other receivables and prepayments		**654,572**	516,942
Amounts due from related parties		**145,659**	186,087
Restricted bank deposits		**271,593**	265,592
Cash and cash equivalents		**2,382,620**	2,259,890
		10,873,141	10,314,156
Current liabilities			
Derivative financial instruments		**4,970**	–
Bank loans		**1,423,054**	1,390,308
Loans from related parties		**332,750**	105,000
Contract liabilities	2(c)	**2,509,078**	2,168,587
Trade and bills payables	10	**2,311,801**	2,432,934
Other payables and accrued expenses		**1,280,662**	1,313,809
Amounts due to related parties		**144,323**	127,712
Warranty provision		**201,530**	84,099
Other borrowings		**8,234**	8,163
Income tax payable		**58,141**	38,014
Employee benefit liabilities		**434**	440
		8,274,977	7,669,066
Net current assets		**2,598,164**	2,645,090
Total assets less current liabilities		**6,579,768**	6,507,167

	At 30 June 2018 *RMB'000*	At 31 December 2017 *RMB'000* (Restated)
Non-current liabilities		
Warranty provision	**91,495**	182,266
Deferred tax liabilities	**170,128**	165,837
Deferred income	**248,747**	254,048
Employee benefit liabilities	**3,908**	3,793
Other borrowings	**27,309**	31,444
	541,587	637,388
NET ASSETS	**6,038,181**	5,869,779
CAPITAL AND RESERVES		
Share capital	**17,853**	17,793
Reserves	**5,867,663**	5,706,846
Equity attributable to equity shareholders of the Company	**5,885,516**	5,724,639
Non-controlling interests	**152,665**	145,140
TOTAL EQUITY	**6,038,181**	5,869,779

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2018 – unaudited

	Attributable to equity shareholders of the Company									
	Share capital	**Share premium**	**Contributed surplus**	**Capital reserve**	**Exchange reserve**	**General reserve fund**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2017 (as previously reported)	17,743	147,005	1,124,571	171,748	(428,754)	452,424	3,673,994	5,158,731	143,334	5,302,065
Nantong Yongxin Logistics Co., Ltd. ("**NYX**") under common control combination	–	–	3,000	–	–	293	2,791	6,084	–	6,084
At 1 January 2017 (restated)	17,743	147,005	1,127,571	171,748	(428,754)	452,717	3,676,785	5,164,815	143,334	5,308,149
Profit for the period	–	–	–	–	–	–	76,817	76,817	1,831	78,648
Other comprehensive income	–	–	–	–	57,847	–	–	57,847	–	57,847
Total comprehensive income for the period	–	–	–	–	57,847	–	76,817	134,664	1,831	136,495
Issuance of shares in connection with exercise of share options	15	6,346	–	(1,854)	–	–	–	4,507	–	4,507
Transfer to retained earnings	–	–	–	(586)	–	–	586	–	–	–
Equity-settled share-based transactions	–	–	–	9,583	–	–	–	9,583	–	9,583
Transfer to general reserve	–	–	–	–	–	14,069	(14,069)	–	–	–
Total contributions by and distributions to owners of the Company, recognised directly in equity	15	6,346	–	7,143	–	14,069	(13,483)	14,090	–	14,090
At 30 June 2017 (restated)	17,758	153,351	1,127,571	178,891	(370,907)	466,786	3,740,119	5,313,569	145,165	5,458,734

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2018 – unaudited

	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 earnings** *RMB'000*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total equity** *RMB'000*
At 31 December 2017 (as previously reported)	17,793	168,902	1,124,571	177,699	(320,797)	483,261	4,064,409	5,715,838	145,140	5,860,978
NYX under common control combination	–	–	3,000	–	–	293	5,508	8,801	–	8,801
At 31 December 2017 (restated)	17,793	168,902	1,127,571	177,699	(320,797)	483,554	4,069,917	5,724,639	145,140	5,869,779
Adjustment on adoption of Hong Kong Financial Reporting Standard ("**HKFRS**") 9, net of tax	–	–	–	–	–	–	(8,102)	(8,102)	–	(8,102)
Adjustment on adoption of HKFRS 15, net of tax	–	–	–	–	–	–	(7,560)	(7,560)	–	(7,560)
At 1 January 2018 (restated)	17,793	168,902	1,127,571	177,699	(320,797)	483,554	4,054,255	5,708,977	145,140	5,854,117
Profit for the period	–	–	–	–	–	–	308,353	308,353	6,294	314,647
Other comprehensive income	–	–	–	–	(18,738)	–	–	(18,738)	–	(18,738)
Total comprehensive income for the period	–	–	–	–	(18,738)	–	308,353	289,615	6,294	295,909
Issuance of shares in connection with exercise of share options	60	25,787	–	(7,515)	–	–	–	18,332	–	18,332
Transfer to retained earnings	–	–	–	(2,250)	–	–	2,250	–	–	–
Equity-settled share-based transactions	–	–	–	3,078	–	–	–	3,078	–	3,078
Transfer to general reserve interests	–	–	–	–	–	10,949	(10,949)	–	–	–
Capital contribution from non-controlling interest	–	–	–	–	–	–	–	–	1,231	1,231
2017 final dividend paid	–	–	–	–	–	–	(131,486)	(131,486)	–	(131,486)
Payment to previous shareholders of NYX under common control combination	–	–	(3,000)	–	–	–	–	(3,000)	–	(3,000)
Total contributions by and distributions to owners of the Company, recognised directly in equity	60	25,787	(3,000)	(6,687)	–	10,949	(140,185)	(113,076)	1,231	(111,845)
At 30 June 2018	17,853	194,689	1,124,571	171,012	(339,535)	494,503	4,222,423	5,885,516	152,665	6,038,181

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1 BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

The consolidated results set out in this announcement are extracted from the financial statements of the Group for the six months ended 30 June 2018. The financial statements are presented in Renminbi ("RMB") unless otherwise stated.

This interim financial statements for the six months ended 30 June 2018 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

Restatement due to common control combination

On 23 April 2018, Ziemann Holvrieka Asia Co., Ltd. ("ZHA"), a wholly-owned subsidiary of the Company, entered into an agreement to acquire from Shenzhen South CIMC Logistics Co., Ltd. ("South Logistics") 100% of the registered capital of Nantong Yongxin Logistics Co., Ltd. ("NYX") for an aggregate consideration of RMB3,000,000.

Since the Company, South Logistics, ZHA and NYX are ultimately controlled by China International Marine Containers (Group) Co., Ltd. ("CIMC") both before and after the above mentioned acquisition, this acquisition is regarded as "common control combination". Accordingly, the Company has applied merger accounting to account for the acquisition of NYX 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 six months ended 30 June 2017 and the financial position as at 31 December 2017 previously reported by the Group and the restated amounts presented in the consolidated financial statements are set out below:

	Six months ended 30 June 2017				**Six months ended 30 June 2018**
	The Group *RMB'000* (as previously reported)	NYX *RMB'000*	Elimination *RMB'000*	The Group *RMB'000* (Restated)	**The Group** ***RMB'000***
Revenue	4,626,306	17,056	(10,222)	4,633,140	**5,649,719**
Profit from operations	296,217	2,719	–	298,936	**434,256**
Profit for the period	76,610	2,038	–	78,648	**314,647**
Profit for the period attributable to equity shareholders of the Company	74,779	2,038	–	76,817	**308,353**
Earnings per share					
Basic earnings per share	RMB0.039	–	–	RMB0.040	**RMB0.159**
Diluted earnings per share	RMB0.038	–	–	RMB0.039	**RMB0.157**

	As at 31 December 2017				**As at 30 June 2018**
	The Group *RMB'000* (as previously reported)	NYX *RMB'000*	Elimination *RMB'000*	The Group *RMB'000* (Restated)	**The Group** ***RMB'000***
Current assets	10,305,316	11,801	(2,961)	10,314,156	**10,873,141**
Total assets	14,167,219	11,975	(2,961)	14,176,233	**14,854,745**
Current liabilities	7,668,853	3,174	(2,961)	7,669,066	**8,274,977**
Total liabilities	8,306,241	3,174	(2,961)	8,306,454	**8,816,564**
Equity attributable to equity shareholders of the Company	5,715,838	8,801	–	5,724,639	**5,885,516**

2 SIGNIFICANT ACCOUNTING POLICIES

(a) New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period and the group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

(i)	HKFRS 9	Financial Instruments
(ii)	HKFRS 15	Revenue from Contracts with Customers
(iii)	HKFRS 1 (Amendment)	First Time Adoption of HKFRS
(iv)	HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions
(v)	HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
(vi)	HKAS 28 (Amendment)	Investments in Associates and Joint Ventures
(vii)	HKAS 40 (Amendment)	Transfers of Investment property
(viii)	HK (IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration

The adoption of the new and amended standards does not have significant impact on the consolidated interim financial report except for HKFRS 9 and HKFRS 15. Please refer to note 2(c) below.

(b) New standards and interpretations not yet adopted

	Effective for accounting periods beginning on or after
HKFRS 16 Leases	1 January 2019
HK (IFRIC) Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to HKFRS 10 and HKAS 28 Sale or contribution of assets between an investor and its associate or joint venture	To be determined

(c) Changes in accounting policies and disclosures

This note explains the impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers on the Group's financial statements where they are different to those applied in prior periods.

(i) ***Impact on the financial statements***

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more details below.

Balance sheet	31 December 2017 After restatement for combination of NYX *RMB'000*	HKFRS 9 *RMB'000*	HKFRS 15 *RMB'000*	**1 January 2018 (Restated)** ***RMB'000***
Inventory	3,053,574	–	18,719	3,072,293
Trade and bills receivables	2,980,045	(10,803)	(28,799)	2,940,443
Deposits, other receivables and prepayments	1,568,670	–	(1,051,728)	516,942
Contract assets	–	–	1,051,728	1,051,728
Current assets	10,314,156	(10,803)	(10,080)	10,293,273
Deferred tax assets	104,070	2,701	2,520	109,291
Non-current assets	3,862,077	2,701	2,520	3,867,298
Total assets	14,176,233	(8,102)	(7,560)	14,160,571
Other payables and accrued expenses	3,482,396	–	(2,168,587)	1,313,809
Contract liabilities	–	–	2,168,587	2,168,587
Current liabilities	7,669,066	–	–	7,669,066
Total liabilities	8,306,454	–	–	8,306,454
Reserves	5,706,846	(8,102)	(7,560)	5,691,184
Equity attributable to equity shareholders of the Company	5,724,639	(8,102)	(7,560)	5,708,977

The Group has reclassified comparatives of Amount due from customers for contract work which was previously included in Deposits, other receivables and prepayments to Contract assets and Advance from customers which was previously included in Other payables and accrued expenses to Contract liabilities, amounting to RMB1,051,728,000 and RMB2,168,587,000, respectively.

3 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 characteristic of the business units.

- Energy equipment and engineering: this segment specialises in the manufacture and sale of a wide range of equipment for the storage, transportation, processing and distribution of natural gas such as compressed natural gas trailers, seamless pressure cylinders, liquefied natural gas ("LNG") trailers, LNG storage tanks, liquefied petroleum gas ("LPG") tanks, LPG trailers, natural gas refuelling station systems and natural gas compressors; design, manufacture and sale of small-to-medium sized multi-gas carriers, such as LPG, LNG and liquefied ethylene/ethane gas ("LEG") carriers; the provision of Internet of Things ("IOT") technology and value-added service to the clean energy industry; and the provision of engineering, procurement, and construction ("EPC") services for the clean energy industry, such as LNG, LEG and Ethane receiving terminals.

- Chemical equipment: this segment specialises in the manufacture and sale of a wide range of equipment, such as tank containers, for the storage and transportation of liquefied or gasified chemicals; and the provision of maintenance services for tank containers.

- Liquid food equipment and engineering: this segment specialises in the engineering, manufacture and sale of stainless steel tanks for storage and processing liquid food such as beer, fruit juice and milk; and the provision of EPC services for the brewery industry as well as other liquid food industries.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management, which is the Group's chief operating decision-maker, monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include non-current assets and current assets with the exception of deferred tax assets and certain assets unallocated to an individual reportable segment. Segment liabilities include non-current liabilities and current liabilities with the exception of income tax payable, deferred tax liabilities and certain liabilities unallocated to an individual reportable segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted profit from operations". To arrive at the Group's profits, the reporting segments' adjusted profits from operation are further adjusted for items not specifically attributed to an individual reportable segment, such as finance costs, impairment provision in relation with the receivables from the Vendors, directors' remuneration, auditors' remuneration and other head office or corporate administrative expenses.

In addition to receiving segment information concerning adjusted profit from operations, management is provided with segment information concerning revenue (including inter-segment sales), interest income from bank deposits, interest expenses, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purpose of resource allocation and assessment of segment performance for the period is set out below.

	Energy equipment and engineering		Chemical equipment		Liquid food equipment and engineering		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from external customers	**2,516,134**	2,164,153	**1,699,997**	1,363,939	**1,410,177**	1,098,214	**5,626,308**	4,626,306
Inter-segment revenue	**1,708**	979	**39,866**	44,444	**–**	–	**41,574**	45,423
Reportable segment revenue	**2,517,842**	2,165,132	**1,739,863**	1,408,383	**1,410,177**	1,098,214	**5,667,882**	4,671,729
Timing of revenue recognition								
At a point in time	**2,040,453**	1,956,377	**1,739,863**	1,408,383	**–**	–	**3,780,316**	3,364,760
Over time	**477,389**	208,755	**–**	–	**1,410,177**	1,098,214	**1,887,566**	1,306,969
Reportable segment profit (adjusted profit from operations)	**113,395**	9,649	**207,758**	216,885	**153,975**	105,747	**475,128**	332,281

	Energy equipment and engineering		Chemical equipment		Liquid food equipment and engineering		Total	
	At 30 June 2018	At 31 December 2017	**At 30 June 2018**	At 31 December 2017	**At 30 June 2018**	At 31 December 2017	**At 30 June 2018**	At 31 December 2017
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment assets	**9,386,747**	9,200,987	**2,157,100**	1,873,827	**2,986,882**	2,915,838	**14,530,729**	13,990,652
Reportable segment liabilities	**4,238,901**	4,307,024	**1,148,312**	1,007,373	**2,067,253**	1,856,260	**7,454,466**	7,170,657

(b) Reconciliations of reportable segment revenue, profit, assets and liabilities

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Revenue		
Reportable segment revenue	**5,667,882**	4,671,729
Elimination of inter-segment revenue	**(41,574)**	(45,423)
Unallocated revenue	**23,411**	6,834
Consolidated revenue	**5,649,719**	4,633,140

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Profit		
Reportable segment profit	**475,128**	332,281
Elimination of inter-segment profit	**–**	(1,470)
Reportable segment profit derived from the Group's external customers	**475,128**	330,811
Finance costs	**(30,344)**	(42,779)
Unallocated operating expenses	**(40,872)**	(31,875)
Impairment provision	**–**	(105,549)
Consolidated profit before taxation	**403,912**	150,608

	At 30 June	At 31 December
	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Assets		
Reportable segment assets	**14,530,729**	13,990,652
Elimination of inter-segment receivables	**(294,545)**	(249,202)
	14,236,184	13,741,450
Deferred tax assets	**112,089**	104,070
Unallocated assets	**506,472**	330,713
Consolidated total assets	**14,854,745**	14,176,233

	At 30 June	At 31 December
	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Liabilities		
Reportable segment liabilities	**7,454,466**	7,170,657
Elimination of inter-segment payables	**(294,545)**	(249,202)
	7,159,921	6,921,455
Income tax payable	**58,141**	38,014
Deferred tax liabilities	**170,128**	165,837
Unallocated liabilities	**1,428,374**	1,181,148
Consolidated total liabilities	**8,816,564**	8,306,454

There are no differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

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 for the clean energy, chemical and environmental, 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 period is as follows:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Sales of goods	**3,762,153**	3,326,171
Revenue from project engineering contracts	**1,887,566**	1,306,969
	5,649,719	4,633,140

5 PROFIT BEFORE TAXATION

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

(i) Finance costs

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Interest on bank loans and other borrowings	**27,792**	41,346
Bank charges	**2,552**	1,433
	30,344	42,779

(ii) Other items

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Depreciation of property, plant and equipment	**112,958**	101,052
Amortisation of intangible assets	**17,196**	22,916
Amortisation of lease prepayments	**7,022**	5,181
Impairment provision for trade receivables (iii)	**9,088**	17,204
Reversal of impairment provision for trade receivables (iii)	**(16,427)**	(2,188)
Reversal of write-down of inventories	**(2,970)**	(79)
Research and development costs	**84,959**	78,216
Operating lease charges for property rental	**12,520**	9,147
Provision for product warranties	**43,581**	35,856
Equity-settled share-based payment expenses	**3,078**	9,583

(iii) Net impairment reversal/(loss) on financial assets

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Impairment provision for trade receivables	**(9,088)**	(17,204)
Reversal of impairment provision of trade receivables	**16,427**	2,188
	7,339	(15,016)

6 IMPAIRMENT PROVISION

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Impairment provision for receivables from Nantong SinoPacific Offshore & Engineering Co., Ltd. ("SOE")	**–**	105,549

On 27 August 2015, an indirect wholly-owned subsidiary of the Company, CIMC Enric Investment Holdings (Shenzhen) Ltd. ("EIHL"), entered into an agreement ("Agreement") with SOEG PTE LTD ("SOEG"), Jiangsu Pacific Shipbuilding Group Co., Ltd. ("Jiangsu Pacific") and Evergreen Group Co., Ltd. ("Evergreen") (collectively, the "Vendors"), shareholders of SOE, pursuant to which the Vendors agreed to sell and EIHL agreed to purchase 100% equity interest in SOE. Afterwards, the Company, SOE and Evergreen entered into a financial assistance framework agreement ("Financial Assistance Agreement") which governed the financial assistance provided by the Group to SOE in the form of loans and guarantees.

During 2016, the Directors considered certain conditions precedents in the Agreement could not be fulfilled and the Vendors breached certain material terms of the Agreement, hence the Agreement and the Financial Assistance Agreement were terminated by EIHL. The Company assessed the recoverability of the receivable from SOE and for the year ended 31 December 2016, a provision of RMB1,184,281,000 was provided for receivable from SOE.

In 2017, SOE was in receivership of the SOE Insolvency and Liquidation Team (the "Receiver") which was appointed by the PRC Court. The Company, based on the best knowledge available and the repayment capability analysis provided by the Receiver, made a further impairment provision of RMB105,549,000 to write down the receivables due from SOE for the six months ended 30 June 2017.

On 5 July 2017, EIHL, SOE and the Receiver entered into a restructuring investment agreement (the "Restructuring Plan") pursuant to which EIHL as the restructuring investor, offered to purchase the major assets of the SOE through acquiring the entire equity interest in SOE. Subsequently, the Restructuring Plan was officially approved by SOE's creditors at the creditors' meeting and the PRC Court on 22 July 2017 and 4 August 2017 respectively and SOE became a direct wholly-owned subsidiary of EIHL on 4 August 2017. The remaining recoverable receivables due from SOE was subsequently settled by the Receiver.

7 INCOME TAX EXPENSES

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Current income tax	**87,771**	46,450
Deferred income tax	**1,494**	25,510
	89,265	71,960

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 period.

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 rate applicable to advanced and new technology enterprises 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 six months ended 30 June 2018, no deferred withholding tax was provided for the distributable profits of PRC subsidiaries.

Taxation of subsidiaries in the Netherlands, Belgium, Denmark, Germany and United Kingdom are charged at the prevailing rates of 25%, 33.99%, 25%, 30% and 20% respectively in the relevant countries and are calculated on a stand-alone basis.

8 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:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Earnings for the purposes of basic and diluted earnings per share	**308,353**	76,817

	Six months ended 30 June	
	2018	2017
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,944,860,751**	1,937,702,353
Effect of dilutive potential ordinary shares in respect of the Company's share options scheme	**23,028,071**	15,521,743
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,967,888,822**	1,953,224,096

9 TRADE AND BILLS RECEIVABLES

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

	At 30 June	At 31 December
	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Current	**1,624,669**	1,718,886
Less than 1 month past due	**292,889**	246,119
1 to 3 months past due	**113,180**	376,786
More than 3 months but less than 12 months past due	**234,670**	282,535
More than 1 year but less than 2 years past due	**134,103**	132,725
More than 2 years but less than 3 years past due	**103,052**	161,695
More than 3 years past due	**105,279**	61,299
Amounts past due	**983,173**	1,261,159
	2,607,842	2,980,045

Trade and bills receivables (net of impairment losses for bad and doubtful debts) 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.

10 TRADE AND BILLS PAYABLES

	At 30 June 2018 *RMB'000*	At 31 December 2017 *RMB'000* (Restated)
Trade creditors	**2,167,509**	2,143,575
Bills payables	**144,292**	289,359
	2,311,801	2,432,934

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

	At 30 June 2018 *RMB'000*	At 31 December 2017 *RMB'000* (Restated)
Within 3 months	**1,964,642**	2,139,727
3 months to 12 months	**224,463**	186,677
Over 12 months	**122,696**	106,530
	2,311,801	2,432,934

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

11 DIVIDENDS

Final dividend of approximately RMB131,486,000 in relation to the year ended 31 December 2017 was paid in 2018 (no dividend was proposed or paid in relation to the year ended 31 December 2016).

The Board of Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

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 clean energy, chemical and environmental, and liquid food industries.

Product portfolio

The three business segments of the Group are mainly comprise the following products under different brand names:

Energy equipment and engineering

- Liquefied natural gas ("**LNG**") trailers, storage tanks and on-vehicle fuel tanks
- Compressed natural gas ("**CNG**") trailers and seamless pressure cylinders
- Liquefied petroleum gas ("**LPG**") trailers and storage tanks
- Natural gas refueling station systems
- Natural gas compressors
- EPC (engineering, procurement and construction) service for the natural gas liquefaction plan
- EPC service for the petrochemical products and natural gas cryogenic storage and transportation terminal
- EPC service for the large-scale petrochemical tank farm
- Intelligent IOT (Internet of Things) Platform
- Small and medium sized liquefied gas carriers, LNG bunkering vessels, LNG powered ships
- Cargo handling system, marine fuel gas supply system
- Marine gas tanks and LNG marine fuel tanks

Within this segment, cryogenic, medium-pressure and high-pressure equipment are mainly sold under the brand names "**Enric**", "**Sanctum**" and "**Hongtu**"; liquefaction engineering projects and EPC engineering projects operate under the brand names "**Hashenleng**" and "**YPDI**"; marine gas products and services are provided under the brand name "**SOE**"; intelligent IOT platform is sold under the brand name "**Anjiehui**".

Chemical equipment

- Tank containers for chemical liquids, liquefied gas and powder type products

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

Liquid food equipment and engineering

- Stainless steel processing and storage tanks

- Project engineering services, e.g. turnkey projects for the processing and distribution of beer, fruit juice and other liquid food

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

OPERATIONAL PERFORMANCE

Revenue

The gas shortage during the past winter has prompted the clean energy industry to raise the LNG storage and transportation capacity in China which boosted the energy equipment and engineering segment's revenue for the first half this year. The chemical equipment segment also posted an increase in revenue due to continuing growth of the global chemical industry during the period. At the same time, the liquid food and engineering segment recorded a revenue growth due to increased order intake, especially in the Latin American market. As a result, the revenue for the first half of 2018 rose by 21.9% to RMB5,649,719,000 (corresponding period in 2017: RMB4,633,140,000). The performance of each segment is discussed below:

During the first half of 2018, the energy equipment and engineering segment's revenue rose by 16.3% to RMB2,516,134,000 (corresponding period in 2017: RMB2,164,153,000) because of a rise in turnover of LNG trailers, LNG tank containers and LNG storage tanks as well as the delivery of an LEG carrier. The segment remains the top grossing segment and accounted for 44.5% (corresponding period in 2017: 46.7%) of the Group's total revenue.

The chemical equipment segment's revenue increased by 24.6% to RMB1,699,997,000 during the period (corresponding period in 2017: RMB1,363,939,000) due to an increase in the demand for both standard and special tank containers. The segment made up 30.1% of the Group's total revenue (corresponding period in 2017: 29.4%).

The liquid food equipment and engineering segment's revenue posted a rise of 28.4% to RMB1,410,177,000 during the period (corresponding period in 2017: RMB1,098,214,000) mainly due to increased order intake. The segment accounted for 25.0% of the Group's total revenue (corresponding period in 2017: 23.7%).

During the first half of 2018, the Group has unallocated revenue of RMB23,411,000 (corresponding period in 2017: RMB6,834,000) which accounted for 0.4% of the Group's revenue (corresponding period in 2017: 0.2%).

Gross profit margin and profitability

The energy equipment and engineering segment's gross profit margin ("**GP margin**") rose to 15.0% (corresponding period in 2017: 13.6%). The rise was mainly the result of a change in product mix and a decline in cost of production brought on by improved operating efficiency. As for the chemical equipment segment, its GP margin saw a fall from 17.5% in the same period last year to 14.7% during the period. This was attributable to the fall in USD exchange rate during the larger part of the first half of 2018. As the segment's key products, tank containers, are mostly denominated in USD and the depreciation in USD in turn lowers the revenue reported in RMB. The GP margin for liquid food equipment and engineering segment decreased to 17.3% during the period due to a number of new projects have been initiated and no major contracts completed; thus no warranty provision was reversed during the period (corresponding period in 2017: 19.6%).

While the energy equipment and engineering segment's GP margin rose, the fall of both chemical and liquid food equipment and engineering segments' GP margins caused the Group's overall GP margin to drop by 0.6 percentage point to 15.6% (corresponding period in 2017: 16.2%).

Profit from operations expressed as a percentage of revenue increased by 1.2 percentage points to 7.7% (corresponding period in 2017: 6.5%) which is mainly attributable to increased revenue as well as expenses increased at a slower rate compared with revenue growth.

During the period, as the profitability of the energy equipment and engineering segment improved and the income tax rate of 15.0% is applicable to most entities of the segment, together with the absence of one-off impairment provision, the effective tax rate of the Group declined to 22.1% in the first half of 2018 (corresponding period of 2017: 47.8%).

FUTURE PLANS AND STRATEGIES

Energy equipment and engineering

Future plans and strategies

The state Council has released "Three-year action plan to win the Battle for a Blue Sky" (《打贏藍天三年保衛戰行動計劃》) and targets to raise natural gas's proportion to 10% of the primary energy consumption by the year 2020. Moreover, the natural gas pipeline network will be connected in a limited timeframe to open up the "South-to-North Gas Transmission" (南氣北送) channel to accelerate the build-up of gas storage facilities. In addition, local governments, city gas operators and upstream gas suppliers are set to meet the quantitative targets by the winter of 2020.

Adhering to the core business of "equipment manufacturing + project engineering service + integrated solution" as the main development path, the segment strategically covers the entire natural gas industry value chain. With a focus on LNG receiving terminals, peak-shaving facilities in major cities and LNG tank container intermodal transportation, the segment is determined to exploit the international market with a firm foothold in the domestic market, in order to grasp new business opportunities and maintain its competitive advantages.

In the meantime, to seize opportunities arising from the growing trend of low-carbon economy and accelerated pace of clean energy application around the world, the segment will further consolidate its overseas energy business and commit greater resources to the clean energy sector, such as marine gas storage and transportation, intelligent products and post-market services, electronic gas containers, hydrogen energy exploration and utilisation. The segment also considers cooperation with leading players in the industry to gain more expansion.

Following the Group's acquisition of Nantong CIMC SinoPacific Offshore & Engineering Co., Ltd. (formerly known as SinoPacific Offshore & Engineering Co., Ltd.), the subsidiary will continue to focus on its existing business of small and midsized liquefied multi-gas carriers, and explore the business of manufacture and modification of LNG powered ships, expanding its integrated natural gas value chain for purification, liquefaction, storage and transportation equipment both onshore and offshore, which provides customers with comprehensive solutions.

Chemical equipment

Future plans and strategies

Europe and US have been the major markets for tank containers as this mature logistical system designed for chemicals have been established in these regions for years. With ongoing economic growth in emerging markets, such as China, Southeast Asia, India and Russia, the chemical sector in these emerging markets have been experiencing rapid growth, while demand for tank containers has also been steadily growing.

Contrary to the extensive application of tank containers in European and US markets, the chemical transportation sector in China mostly remains on traditional transportation modes such as tank trucks, drum barrels and bags, and consequently the demand for tank containers had been lower in Chinese market compared to those in European and American countries. In recent years, however, safety requirements on transportation of hazardous chemicals and the legal awareness regarding the environment have been rising in China. Relevant authorities have announced policies to encourage the use of tank container, by promoting construction of logistics infrastructure facilities, the establishment of pilot demonstration project and construction of hub terminals respectively. Such initiatives will facilitate stronger penetration of tank containers in China's logistics industry.

Overall speaking, despite the advantages driven by the steadily growing demand for tank containers during the first half of 2018, the global demand for chemical equipment in the second half is expected to be affected by the rising US-China trade friction and global economic uncertainties. The chemical equipment segment will continue to devote effort into R&D and market exploration, so as to expand the scope of application of special tank containers and to maintain a leading market position in standard tank containers. By building supply chains that are efficient, mutually beneficial and of high quality, the segment seeks to establish comprehensive partnerships with clients through the whole service cycle, to implement full-scale upgrade of its manufacturing capabilities, to further consolidate competitiveness and thus to stay ahead of the industry. While consolidating its equipment manufacturing business, the segment will actively explore the potential in providing more intelligent products by utilising IOT technology, helping clients to build a digitalised operation system and improve their operating efficiency.

On top of the existing tank container business, this segment endeavours to enter the solid waste recycling economy sector and pursue environmental business opportunities through establishment, joint ventures and mergers. As an integration of equipment, engineering and operation services, the environmental industry is an emerging industry with optimistic market potential, high profit margin, low industry concentration that it is good timing to enter the industry now. This segment has already established environmental R&D centre, which owns autonomous intellectual properties of core technologies.

Liquid food equipment and engineering

Future plans and strategies

In the future, the liquid food equipment and engineering segment will expand globally and diversify to equipment and project engineering for the manufacturing of food items other than beer, following a two-dimensional approach covering vertically beer production and horizontally other liquid food businesses, leveraging its core technologies and strengths in EPC contracting. The acquisition of Briggs Group Limited in 2016, has enabled the business segment to tap into breweries, pharmaceutical and distilleries sectors on a global basis, as well as to provide process design and turnkey project engineering services for certain sub-sectors. Hence, the segment will actively explore business development in these new sectors in the future, striving to generate more opportunities for revenue and profit growth.

The liquid food equipment and engineering segment constantly reviews and develops its strategy, to gain opportunities in which it can excel and enhance its business position. For vertical diversification, the segment continues to enhance its capabilities to offer turnkey solutions for brewing and strives to develop and deliver such services and products to our customers. For horizontal diversification, the segment strives to proactively develop businesses for other liquid food industries apart from beer, such as juice storage, transportation and dairy product processing.

FINANCIAL REVIEW

Liquidity and financial resources

At 30 June 2018, the cash and cash equivalents of the Group amounted to RMB2,382,620,000 (31 December 2017: RMB2,259,890,000). A portion of the Group's bank deposits totalling RMB271,593,000 (31 December 2017: RMB265,592,000), which had more than three months of maturity at acquisition. 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 30 June 2018, the Group's bank loans and overdrafts amounted to RMB1,423,054,000 (31 December 2017: RMB1,390,308,000), other than syndicated bank loan and term loan with tenors of 3 years for business development and working capital, the remaining is repayable within one year. Apart from the syndicated bank loan denominated in USD and the term loan as well as revolving banking facilities which are denominated in USD and HKD that bear interest at floating rates, the overall bank loans bear interest at rates from 2.992% to 4.69% per annum. At 30 June 2018, the Group did not have secured bank loan (31 December 2017:

Nil). As of 30 June 2018 the Group did not have any bank loans that were guaranteed by the Company's subsidiaries (31 December 2017: Nil). As at 30 June 2018, loans from related parties amounted to RMB332,750,000 (31 December 2017: RMB105,000,000), which are unsecured, interest bearing from 1.75% to 6.80% (31 December 2017: 1.75% to 4.60%) per annum and repayable within one year.

The net gearing ratio, which is calculated by dividing net debt over equity, was zero times (31 December 2017: zero times) as the Group retained a net cash balance of RMB626,816,000 (31 December 2017: RMB764,582,000). The increase in net cash balance is mainly attributable to improved operating results during the period. The Group's interest coverage was 15.6 times for the period (corresponding period in 2017: 7.2 times) which represents a decline that is mainly due to an increment in average bank borrowings over the same period in 2018. Certainly, the Group's profit from operation and strong operating cash flow demonstrate that the Group is fully capable of meeting its interest expense commitments.

During the period, net cash generated from operating activities amounted to RMB267,473,000 (corresponding period in 2017: RMB151,569,000). The Group drew bank loans and loans from a related party totalling RMB824,260,000 (corresponding period in 2017: RMB357,000,000) and repaid RMB577,260,000 (corresponding period in 2017: RMB779,864,000). In addition, cash proceeds amounted to RMB18,332,000 arose from the issuance of ordinary shares on exercise of share options.

Assets and liabilities

At 30 June 2018, total assets of the Group amounted to RMB14,854,745,000 (31 December 2017: RMB14,176,233,000) while total liabilities were RMB8,816,564,000 (31 December 2017: RMB8,306,454,000). The net asset value increased by 2.9% to RMB6,038,181,000 (31 December 2017: RMB5,869,779,000). It was mainly attributable to net profit of RMB314,647,000 and was partially offset by the payment of final dividend for 2017 of RMB131,486,000 during the period. As a result, the net asset value per share increased to RMB3.097 at 30 June 2018 from RMB3.017 at 31 December 2017.

Contingent liabilities

At 30 June 2018, the Group had outstanding balance of guarantees issued by relevant banks totalling RMB1,507,240,000 (31 December 2017: RMB994,460,000). Apart from these, the Group did not have other material contingent liabilities.

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 30 June 2018, the Group had contracted but not provided for capital commitments of RMB76,154,000 (31 December 2017: RMB52,649,000). As of 30 June 2018, the Group did not have authorised but not contracted for capital commitments (31 December 2017: Nil).

Foreign exchange exposure

The Group is exposed to foreign currency risk primarily through trade transactions that are denominated in currencies 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.

Capital expenditure

In the first half of 2018, the Group invested RMB270,184,000 in capital expenditure for expansion of production capacity, general maintenance of production capacity and new business ventures. The energy equipment and engineering segment, chemical equipment segment and liquid food equipment and engineering segment invested RMB199,142,000, RMB18,867,000 and RMB48,813,000 respectively in capital expenditure during the period.

Employees and remuneration policies

At 30 June 2018, the total number of employees of the Group was approximately 9,800 (corresponding period in 2017: approximately 9,050). Total staff costs (including Directors' emoluments, retirement benefits schemes contributions and share option expenses) were approximately RMB821,874,000 (corresponding period in 2017: RMB693,291,000).

Save as disclosed above, there have been no material changes in respect of employee incentive and bonus policies, the share option scheme and training scheme as disclosed in Annual Report 2017.

PROSPECTS

The global economy rebound continued during the first half of 2018 with a slowdown in momentum. Economic growth faces uncertainties due to global trade friction, while multiple economies shows a distinct trend of diverse monetary policies. The U.S. trade policies are unlikely to change in the near future, and trade friction will be the greatest uncertainty for global economic recovery in the second half.

In the first half of 2018, China's GDP has grown by 6.8% to RMB41,896.1 billion comparing to the same period last year and such growth rate has remained between 6.7% and 6.9% for 12 consecutive quarters. Despite external pressure from US-China trade friction and internal structural imbalance, the economy is expected to see steady improvement in the second half thanks to continuously enhancing domestic investment and consumption structure. Owing to dual pressure from the market force and structural reform on the supply-side, improved production utilisation, with investment in the manufacturing industry expected to remain at a stable level in the second half. Subsequent to the fourth U.S. Federal Reserve rate hike in June 2018, the People's Bank of China has further reduced the reserve ratio, leading to an easing monetary policy and depreciation of RMB. Under increasing trade friction, growth in domestic demand is of utmost importance, and thus the focus will be to stimulate investment in production and household consumption.

In order to seize opportunities in tandem with macro-economic developments, the Group will reinforce its prudent operation and optimisation of its existing business and pursue the central objective of seeking "quality development", so as to strengthen its core business. With "equipment manufacturing + project engineering services + integrated solutions" as the main development path of our core business, our Group will drive the development of new businesses through innovation, increase our profitability through operation excellence and smart manufacturing, as well as position in a worldwide sense, in order to sustain the momentum and quality of growth.

The Group strives to promote the modernisation of equipment and project engineering in the clean energy, chemical and environmental as well as liquid food industries. Currently, we have developed the standardised and scale production ability for large-scale industrial equipment, and EPC capability for large-scale energy and chemical projects, with solid foundation in supply-chain management, cost management, production operation and process innovation for the manufacturing sector. In line with trends in global manufacturing, the Company will move towards integrated services in a market-oriented and customer-oriented approach on the back of product manufacturing and project engineering services as well as value-added project such as supply chain finance and whole service cycle, with a view to driving the development of its existing business. In addition, we will enhance our innovation mechanism, and will focus on maritime gas storage and transportation, small and medium-scale offshore module, peak-shaving in cities, solid waste management and efficient use of resources, etc. The Group will continue to grow through new businesses, new technologies and innovative business models.

Energy Equipment and Engineering

Under the strong rebound in oil price, the economic advantages of natural gas has started to emerge, and together with stricter environmental requirements, natural gas consumption has recorded a surge in the first half of the year. According to the National Development and Reform Commission's latest release, China's natural gas production amounted to 77.4 billion cubic metres from January to June 2018, representing a year-on-year growth of 5.5%; natural gas import amounted to 58.41 billion cubic metres, representing a year-on-year growth of 39.4%; apparent natural gas consumption amounted to 134.09 billion cubic metres, representing a year-on-year growth of 17.0%. Long-term speaking, natural gas consumption sees a healthy momentum. According to the "IEA Market Report Series: Gas 2018" published by the International Energy Agency on 19 July, natural gas consumption in China is expected to grow at an annual growth rate of 8% from 237 billion cubic metres in 2017 to 376 billion cubic metres in 2023. The report also anticipates that China will become the world's largest natural gas importing country in 2019, with import reaching 171 billion cubic metres in 2023, among which LNG will be the major component. We are therefore of the view that the Group's energy equipment and engineering segment is and will remain at the rapid growth of the natural gas industry over the long term, especially in the LNG market.

Chemical Equipment

In the past few years, lessors in the global market have invested heavily in chemical tank containers, resulting in record-high demands for the product. Growth in the demand for tank containers attributed to both organic growth and replacement orders. While the actual quantity might vary from year to year, the overall demand generally remains stable. In the long run, as the global economy gradually stabilises and emerging markets continue to develop, the global chemical industry is expected to sustain a stable growth over the longer term.

Currently, the markets of developed countries in Europe and the USA have completed the transition to a stage of stable growth, while the demand for tank containers in emerging markets will experience gradual growth due to the replacement and upgrade of traditional transportation modes for local chemical sectors and increasing concern for safe, efficient and eco-friendly transportation of hazardous goods. These will drive the sustained growth of the global tank container market. All in all, with the gradual recovery of global investments in chemical products, the green logistics mode with higher level of security, cost-effectiveness, eco-friendliness and smart applications will become the new market trend. Moreover, as the number of new chemicals and derivatives continue to emerge in line with developments in the chemical industry, the market for special tank containers is expected to post significant growth.

The Group’s chemical equipment segment will, on top of its existing business, actively pursue the business of “IOT + tank containers”, with the launch of a centralised platform for monitoring, managing and servicing throughout the full life cycle of the tank containers, aiming to provide better services and solutions for the operation and management of our customers’ tank containers.

This segment endeavours to enter the environmental industry – an emerging industry that integrates equipment, engineering and operation services, which has large market potentials and considerable profitability. In particular, the field of industrial solid waste recycling and utilisation, which has high entry barrier in terms of technology and qualification, presents an enormous potential for development. Benefiting from the accelerated urbanisation and implementation of environmental protection policies, the volume of corporate waste disposal has grown rapidly and the scope has also expanded. At present, most of the environmentally-friendly waste treatment enterprises engage in a single category of waste with limited technology in treating these hazardous wastes. While the market participants are mostly private enterprises who have limited treatment capacity; thus the market is generally under-capacity and overseas players with more advanced technology are eager to enter. Companies with advanced technology and professional operational strengths have competitive advantages.

Liquid Food Equipment and Engineering

Through the renowned brands of “Ziemann Holvrieka” and “Briggs”, the Group possesses competitive strengths which are derived from its world-leading capabilities in design, manufacture and project engineering of breweries, brewery equipment and distilleries, proven business results and global brand influence. Meanwhile, the diverse geographic locations of production facilities in Europe and China have afforded a solid ability in global coordination over production, procurement, operation and regional marketing.

The acquisition of Briggs Group Limited in 2016, with headquarters located in the UK, strengthened the segment’s process capabilities with extensive process design knowledge in breweries, pharmaceutics and distilleries. Integration of Briggs has proven to be successful, already resulting in projects with an extended scope in the distilling and pharmaceutical markets of North and South Americas. The segment will continue to actively explore business development in these markets in the future, striving to generate more opportunities for revenue and profit growth.

Further the segment will continue to enhance the branding of “Ziemann Holvrieka” and “Briggs”. Under the objective of a unified corporate image, the segment positions itself as “engineers, enthusiasts, consultants and enablers” whose major capacity is to know customers business right down to the last detail. By acting and thinking sustainably, the segment will continue to implement marketing strategies to improve the market positioning as well as increase brand awareness and customer intimacy.

SUBSEQUENT EVENTS AFTER REPORTING PERIOD

Reference is made to the announcement of the Company dated 26 June 2018 in relation to, among other things, the adoption of the Restricted Share Award Scheme (2018) (the "**Scheme**") and proposed to issue and allot restricted shares. Pursuant to the Listing Rules, issue and allot of restricted shares are subject to the approval by independent shareholders and listing approval by Listing Committee. On 10 August 2018, an extraordinary general meeting had been held in relation to approve the issue and allot restricted shares as aforesaid. As more than 50% of votes were cast in the favour of the resolution in relation to issue and allot of restricted shares, the resolution was duly passed. Further details were disclosed in the announcements of the Company dated 26 June 2018 and 10 August 2018 respectively and the circular of the Company dated 25 July 2018.

CORPORATE GOVERNANCE

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**"), throughout the six months ended 30 June 2018.

The latest corporate governance report of the Company is set out in the Annual Report 2017. Details of each of the audit committee, the remuneration committee and the nomination committee of the Company are also provided in the same report.

The audit committee of the Company has reviewed and discussed with management the unaudited financial report of the Group for the period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, 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. Yang Xiaohu *(General Manager)* as executive Directors; Mr. Yu Yuqun, Mr. Wang Yu, Mr. Zeng Han and Mr. Jin Yongsheng as non-executive Directors; 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, 22 August 2018

The Interim Report 2018 will be dispatched to the shareholders and published on the websites of the Company and the Stock Exchange.