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 2012

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2012	2011	
	RMB'000	*RMB'000*	
		(restated)	
Turnover	**3,829,173**	3,105,559	+23.3%
Profit attributable to shareholders	**372,557**	253,355	+47.0%
Basic earnings per share	**RMB0.199**	RMB0.135	+47.4%

The Board of Directors of CIMC Enric Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the unaudited financial results of the Group for the six months ended 30 June 2012 together with the comparative figures for the corresponding period in 2011.

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 2012 – Unaudited

		Six months ended 30 June	
		2012	2011
	Note	***RMB'000***	*RMB'000*
			(restated)
Turnover	*4*	**3,829,173**	3,105,559
Cost of sales		**(3,100,211)**	(2,538,748)
Gross profit		**728,962**	566,811
Change in fair value of derivative financial instruments		**(2,658)**	(3,545)
Other revenue	*5*	**66,882**	51,782
Other net income/(expenses)	*5*	**1,169**	(265)
Selling expenses		**(99,356)**	(91,194)
Administrative expenses		**(234,861)**	(187,975)
Profit from operations		**460,138**	335,614
Finance costs	*6*	**(2,999)**	(7,460)
Profit before taxation	*6*	**457,139**	328,154
Income tax	*7*	**(80,955)**	(70,149)
Profit for the period		**376,184**	258,005
Attributable to:			
Equity shareholders of the Company		**372,557**	253,355
Non-controlling interests		**3,627**	4,650
Profit for the period		**376,184**	258,005
Earnings per share	*8*		
Basic		**RMB0.199**	RMB0.135
Diluted		**RMB0.197**	RMB0.135

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012 – Unaudited

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
		(restated)
Profit for the period	**376,184**	258,005
Other comprehensive income for the period		
Exchange difference on translation of financial statements denominated in foreign currency	**10,377**	28,259
Total comprehensive income for the period	**386,561**	286,264
Attributable to:		
Equity shareholders of the Company	**382,934**	281,614
Non-controlling interests	**3,627**	4,650
Total comprehensive income for the period	**386,561**	286,264

CONSOLIDATED BALANCE SHEET

As at 30 June 2012 – Unaudited

	Note	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000 (restated)
Non-current assets			
Property, plant and equipment	9	**1,087,558**	1,019,898
Construction in progress		**377,547**	274,773
Lease prepayments		**332,188**	277,066
Intangible assets		**58,385**	33,593
Prepayments		**–**	118,138
Goodwill		**127,134**	42,783
Deferred tax assets		**42,625**	39,369
Other financial assets		**59**	59
		2,025,496	1,805,679
Current assets			
Derivative financial instruments		**383**	3,042
Inventories	10	**2,133,685**	2,077,553
Trade and bills receivable	11	**1,415,396**	1,355,952
Deposits, other receivables and prepayments		**541,630**	434,779
Amounts due from related parties		**38,347**	18,027
Cash at bank and in hand	12	**885,760**	1,082,020
		5,015,201	4,971,373
Current liabilities			
Bank loans and overdrafts	13	**420,819**	321,139
Trade and bills payable	14	**1,217,333**	1,311,622
Other payables and accrued expenses		**1,094,498**	1,146,514
Income tax payable		**27,023**	19,804
Amounts due to related parties		**97,327**	63,466
Provisions		**15,425**	20,355
Employee benefit liabilities		**97**	61
		2,872,522	2,882,961
Net current assets		**2,142,679**	2,088,412
Total assets less current liabilities		**4,168,175**	3,894,091

	Note	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000 (restated)
Non-current liabilities			
Provisions		**41,275**	29,952
Deferred income		**159,411**	138,132
Employee benefit liabilities		**1,448**	1,602
Deferred tax liabilities		**109,806**	99,097
Bank loans	*13*	**216,487**	194,568
		528,427	463,351
NET ASSETS		**3,639,748**	3,430,740
CAPITAL AND RESERVES			
Share capital		**17,235**	17,235
Reserves		**3,598,673**	3,393,292
Equity attributable to equity shareholders of the Company		**3,615,908**	3,410,527
Non-controlling interests		**23,840**	20,213
TOTAL EQUITY		**3,639,748**	3,430,740

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012 – Unaudited

	Attributable to equity shareholders of the Company									
	Share capital	Share premium	Contributed surplus	Capital reserve	Exchange reserve	General reserve fund	Retained profits	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 2011 (restated)	17,235	287,517	838,669	46,518	(197,115)	88,099	1,745,346	2,826,269	14,838	2,841,107
Change in equity for the six months ended 30 June 2011:										
Total comprehensive income for the period	–	–	–	–	28,259	–	253,355	281,614	4,650	286,264
Transactions with equity shareholders in their capacity as equity shareholders:										
Equity-settled share-based transactions	–	–	–	6,672	–	–	–	6,672	–	6,672
Transfer to general reserve	–	–	–	–	–	18,874	(18,874)	–	–	–
At 30 June 2011 (restated)	17,235	287,517	838,669	53,190	(168,856)	106,973	1,979,827	3,114,555	19,488	3,134,043
At 1 January 2012 (restated)	17,235	287,517	877,152	60,198	(235,084)	157,149	2,246,360	3,410,527	20,213	3,430,740
Change in equity for the six months ended 30 June 2012:										
Total comprehensive income for the period	–	–	–	–	10,377	–	372,557	382,934	3,627	386,561
Transactions with equity shareholders in their capacity as equity shareholders:										
Equity-settled share-based transactions	–	–	–	5,658	–			5,658	–	5,658
Transfer to general reserve	–	–	–	–	–	40,011	(40,011)	–	–	–
2011 final dividend paid	–	(116,881)	–	–	–	–	–	(116,881)	–	(116,881)
Distribution to previous shareholders of Nantong Transport under common control combination	–	–	(66,330)	–	–	–	–	(66,330)	–	(66,330)
At 30 June 2012	17,235	170,636	810,822	65,856	(224,707)	197,160	2,578,906	3,615,908	23,840	3,639,748

NOTES:

1. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated results set out in this announcement do not constitute the interim financial report of CIMC Enric Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2012 but are extracted from the interim financial report.

The interim financial report for the six months ended 30 June 2012 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 report should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). It was authorised for issuance on 20 August 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted by the Group in the preparation of the 2011 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2012 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim financial report, 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 2011.

The interim financial report is unaudited, but has been reviewed by PricewaterhouseCoopers in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the HKICPA.

(b) Common control combination of Nantong Transport

On 17 Feb 2012, Nantong CIMC Tank Equipment Co., Ltd. ("Nantong Tank"), a wholly-owned subsidiary of the Company, acquired from CIMC Vehicle (Group) Co., Ltd. and CIMC Tank Equipment Investment Holdings Company Limited 75% and 25%, respectively, of the issued share capital of Nantong CIMC Transportation & Storage Equipment Co., Ltd. ("Nantong Transport") for an aggregate consideration of RMB66,330,000.

Since the Company, Nantong Tank and Nantong Transport 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 Nantong Transport 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 parties' perspective. No amount is recognised in respect of goodwill or excess of acquirers' interest in the net fair value of acquirees' 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 condensed consolidated financial report 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 2011 and as at year ended 31 December 2011 previously reported by the Group and the restated amounts presented in the interim financial report are set out below:

	For the six months ended 30 June 2011 (Restated)				**For the six months ended 30 June 2012**
	The Group	**Nantong Transport**	**Elimination**	**The Group**	**The Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(as previously reported)			(restated)	
Results of operations					
Revenue	3,067,870	41,901	(4,212)	3,105,559	3,829,173
Profit from operations	333,770	1,844	–	335,614	460,138
Profit for the period	257,075	930	–	258,005	376,184
Profit for the period attributable to equity shareholders of the Company	252,425	930	–	253,355	372,557

	As at 31 December 2011 (Restated)				**As at 30 June 2012**
	The Group	**Nantong Transport**	**Elimination**	**The Group**	**The Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(as previously reported)			(restated)	
Financial position					
Current assets	4,895,412	83,973	(8,012)	4,971,373	5,015,201
Total assets	6,655,018	130,046	(8,012)	6,777,052	7,040,697
Current liabilities	2,830,322	60,651	(8,012)	2,882,961	2,872,522
Total liabilities	3,293,673	60,651	(8,012)	3,346,312	3,400,949
Equity attributable to equity shareholders of the Company	3,341,132	69,395	–	3,410,527	3,615,908

2. ACCOUNTING POLICIES

(a) The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011 as described in those annual financial statements.

There are no amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

(b) The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2012 and have not been early adopted

		Effective for accounting periods beginning on or after
HKFRS 1 (Amendment)	Government loans	1 January 2013
HKFRS 7 (Amendment)	Disclosures – Offsetting financial assets and financial liabilities	1 January 2013
HKFRS 9	Financial instruments	1 January 2015
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosures of interests in other entities	1 January 2013
HKFRS 13	Fair value measurement	1 January 2013
HKAS 1 (Amendment)	Presentation of items of other comprehensive income	1 July 2012
HKAS 19 (2011)	Employee benefits	1 January 2013
HKAS 27 (2011)	Separate financial statements	1 January 2013
HKAS 28 (2011)	Investments in associates and joint ventures	1 January 2013
HKAS 32 (Amendment)	Offsetting financial assets and financial liabilities	1 January 2014
HK(IFRIC) – Int 20	Stripping costs in the production phase of a surface mine	1 January 2013

The directors of the Company anticipate that the adoption of the above new revised standards and amendments to standards may result in new or amended presentation and disclosures on the interim financial report but will have no significant impact on the Group's results and financial position. The directors of the Company will adopt the new revised standards and amendments to standards when they become effective.

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. The operating segments with similar economic characteristics have been aggregated to form the following reportable segments.

- Energy equipment: 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.

- 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.

- Liquid food equipment: 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.

(a) Segment results, assets and liabilities

	Energy equipment Six months ended 30 June		Chemical equipment Six months ended 30 June		Liquid food equipment Six months ended 30 June		Total Six months ended 30 June	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	RMB'000	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)
Revenue from external customers	**1,999,792**	1,516,425	**1,430,445**	1,296,821	**398,936**	292,313	**3,829,173**	3,105,559
Inter-segment revenue	**178**	–	**–**	92	**–**	–	**178**	92
Reportable segment revenue	**1,999,970**	1,516,425	**1,430,445**	1,296,913	**398,936**	292,313	**3,829,351**	3,105,651
Reportable segment profit (adjusted profit from operations)	**276,290**	239,873	**196,802**	116,050	**18,334**	4,625	**491,426**	360,548

	Energy equipment		Chemical equipment		Liquid food equipment		Total	
	At 30 June 2012	At 31 December 2011	**At 30 June 2012**	At 31 December 2011	**At 30 June 2012**	At 31 December 2011	**At 30 June 2012**	At 31 December 2011
	RMB'000	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)
Reportable segment assets	**4,408,551**	3,861,415	**1,819,435**	1,928,647	**634,149**	609,964	**6,862,135**	6,400,026
Reportable segment liabilities	**1,883,767**	1,875,321	**896,831**	933,826	**172,742**	143,361	**2,953,340**	2,952,508

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

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000* (restated)
Revenue		
Reportable segment revenue	**3,829,351**	3,105,651
Elimination of inter-segment revenue	**(178)**	(92)
Consolidated turnover	**3,829,173**	3,105,559

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
		(restated)
Profit		
Reportable segment profit	**491,426**	360,548
Elimination of inter-segment profits	**(3,780)**	(1,662)
Reportable segment profit derived from the Group's external customers	**487,646**	358,886
Finance costs	**(2,999)**	(7,460)
Unallocated operating income and expenses	**(27,508)**	(23,272)
Consolidated profit before taxation	**457,139**	328,154

	At 30 June 2012	At 31 December 2011
	RMB'000	*RMB'000*
		(restated)
Assets		
Reportable segment assets	**6,862,135**	6,400,026
Elimination of inter-segment receivables	**(19,576)**	(67,735)
	6,842,559	6,332,291
Deferred tax assets	**42,625**	39,369
Unallocated assets	**155,513**	405,392
Consolidated total assets	**7,040,697**	6,777,052

	At 30 June 2012	At 31 December 2011
	RMB'000	*RMB'000*
		(restated)
Liabilities		
Reportable segment liabilities	**2,953,340**	2,952,508
Elimination of inter-segment payables	**(19,576)**	(67,735)
	2,933,764	2,884,773
Income tax payable	**27,023**	19,804
Deferred tax liabilities	**109,806**	99,097
Unallocated liabilities	**330,356**	342,638
Consolidated total liabilities	**3,400,949**	3,346,312

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. TURNOVER

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.

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

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
		(restated)
Sales of goods	**3,185,876**	2,757,218
Revenue from project engineering contracts	**643,297**	348,341
	3,829,173	3,105,559

5. OTHER REVENUE AND OTHER NET INCOME/(EXPENSES)

(a) Other revenue

		Six months ended 30 June	
		2012	2011
	Note	***RMB'000***	*RMB'000*
			(restated)
Government grants	*(i)*	**7,434**	4,743
Other operating revenue	*(ii)*	**49,590**	39,025
Interest income from bank deposits		**9,858**	8,014
		66,882	51,782

(i) Government grants represent various forms of incentives and subsidies given to the Company's subsidiaries by the PRC government and the recognition of deferred government grants.

(ii) Other operating revenue consists mainly of income earned from subcontracting service and the sale of scrap materials.

(b) Other net income/(expenses)

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
		(restated)
Net gain on disposal of property, plant and equipment	**4**	29
Charitable donations	**(177)**	(407)
Other net income	**1,342**	113
	1,169	(265)

6. PROFIT BEFORE TAXATION

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

(i) Finance costs

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
		(restated)
Interest on bank loans and other borrowings	**6,743**	10,052
Foreign exchange gain	**(4,288)**	(3,347)
Bank charges	**544**	755
	2,999	7,460

(ii) Other items

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
		(restated)
Depreciation of property, plant and equipment	**53,248**	49,835
Amortisation of intangible assets	**7,805**	4,183
Amortisation of lease prepayments	**3,561**	2,603
Impairment losses for trade receivables	**10,060**	2,143
Reversal of impairment losses of trade receivables	**(4,505)**	(5,810)
Reversal of impairment losses of other receivables	**–**	(125)
Write-down of inventories	**10**	1,767
Reversal of write-down of inventories	**(845)**	(1,571)
Research and development costs	**48,438**	33,503
Operating lease charges for property rental	**2,091**	3,238
Provision for product warranties	**18,100**	11,807
Equity-settled share-based payment expenses	**5,657**	6,672
Transaction cost in relation to acquisition of a subsidiary	**49**	–

7. INCOME TAX

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
		(restated)
Current income tax	**79,722**	76,841
Deferred income tax	**1,233**	(6,692)
	80,955	70,149

No provision has been made for Hong Kong Profits Tax as the Group does not have assessable profits subject to Hong Kong Profits Tax during the period. Profits of the Group's operating subsidiaries are subject to income taxes in the respective tax jurisdictions.

According to the Corporate Income Tax Law of the People's Republic of China (the "Tax Law"), the Company's subsidiaries in the People's Republic of China ("PRC") are subject to statutory income tax rate of 25%.

Pursuant to the relevant laws and regulations in the PRC, the Company's certain subsidiaries in the PRC are entitled to a preferential tax treatment applicable to advanced and new technology enterprises and are subject to income tax rate of 15%.

Pursuant to the Tax Law and its relevant regulations, PRC-resident enterprises are levied withholding income tax at 10% on dividends to their non-PRC-resident corporate investors for earnings accumulated beginning on 1 January 2008. Undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. Under the Sino-Hong Kong Double Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident which is the "beneficial owner" and holds 25% or more of the equity interest of a PRC-resident enterprise is entitled to a reduced withholding tax rate of 5%. As at 30 June 2012, deferred tax liability recognised in this regard was RMB52,604,000 (31 December 2011: RMB45,422,000).

Taxation of Dutch subsidiaries, Belgian subsidiary and Danish subsidiary are charged at the current rates of 25%, 33.99% and 25% respectively ruling 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	
	2012	2011
	RMB'000	*RMB'000*
		(restated)
Earnings		
Earnings for the purposes of basic and diluted earnings per share	**372,557**	253,355

	Six months ended 30 June	
	2012	2011
Number of shares		
Weighted average number of ordinary shares	**898,520,140**	857,452,201
Weighted average number of non-redeemable convertible preference shares	**974,573,382**	1,015,641,321
Weighted average number of shares for the purpose of basic earnings per share	**1,873,093,522**	1,873,093,522
Effect of dilutive potential ordinary shares in respect of the Company's share options scheme *(note 15)*	**13,960,833**	–
Weighted average number of shares for the purpose of diluted earnings per share	**1,887,054,355**	1,873,093,522

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2012, the addition of property, plant and equipment (including transfer from construction in progress) of the Group amounted to RMB110,613,000 (six months ended 30 June 2011: RMB19,770,000). Items of property, plant and equipment with net book value totalling RMB7,000 were disposed of during the six months ended 30 June 2012 (six months ended 30 June 2011: RMB350,000), resulting in a gain on disposal of RMB4,000 (six months ended 30 June 2011: RMB29,000).

10. INVENTORIES

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000 (restated)
Raw materials	**793,503**	787,401
Consignment materials	**93,840**	108,405
Work in progress	**594,302**	674,080
Finished goods	**652,040**	507,667
	2,133,685	2,077,553

11. TRADE AND BILLS RECEIVABLE

An ageing analysis of trade and bills receivable is as follows:

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000 (restated)
Current	**1,041,283**	1,043,326
Less than 1 month past due	**50,078**	81,071
1 to 3 months past due	**36,870**	10,728
More than 3 months but less than 12 months past due	**189,472**	145,369
More than 12 months past due	**97,693**	75,458
Amounts past due	**374,113**	312,626
	1,415,396	1,355,952

Trade and bills receivable (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.

12. CASH AT BANK AND IN HAND

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000* (restated)
Cash in hand and demand deposits	**711,489**	976,017
Restricted bank deposits within three months of maturity	**109,661**	19,063
Bank overdrafts	**(177)**	(2,950)
Cash and cash equivalents	**820,973**	992,130
Restricted bank deposits with maturity of more than three months	**64,610**	86,940
Add back bank overdrafts	**177**	2,950
	885,760	1,082,020

13. BANK LOANS AND OVERDRAFTS

At 30 June 2012, the bank loans and overdrafts were repayable as follows:

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000* (restated)
Within 1 year or on demand	**420,819**	321,139
After 1 year but within 2 years	**94,204**	72,963
After 2 years but within 5 years	**122,283**	121,605
	216,487	194,568
	637,306	515,707

All the bank loans and overdrafts were unsecured. The annual rate of interest charged on the bank loans ranged from 2.36% to 6.89% for the six months ended 30 June 2012 (six months ended 30 June 2011: 2.44% to 6.37%).

14. TRADE AND BILLS PAYABLE

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000* (restated)
Trade creditors	**1,067,333**	1,069,776
Bills payable	**150,000**	241,846
	1,217,333	1,311,622

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

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000* (restated)
Due within 3 months or on demand	**1,028,928**	1,243,205
Due after 3 months but within 12 months	**173,114**	60,022
Due after 12 months	**15,291**	8,395
	1,217,333	1,311,622

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

15. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 12 July 2006 whereby the directors of the Company are authorised, at their discretion, to invite eligible persons to take up options at a consideration of HKD1.00 to subscribe for shares of the Company. Each option gives the holder the right to subscribe for one ordinary share in the Company.

On 11 November 2009, 43,750,000 share options were granted to certain eligible persons of the Group. The options outstanding at 30 June 2012 had an exercise price of HKD4.00 and a weighted average remaining contractual life of 7.37 years. 40,400,000 options had become exercisable on 11 November 2011.

On 28 October 2011, 38,200,000 share options were granted to certain eligible persons of the Group. The options outstanding at 30 June 2012 had an exercise price of HKD2.48 and a weighted average remaining contractual life of 9.33 years. 40%, 30% and 30% of 37,320,000 options will become exercisable on 28 October 2013, 2014 and 2015, respectively.

No option was granted during the six months ended 30 June 2012.

16. DIVIDENDS

Final dividend of RMB116,881,000 (HK$112,386,000) in relation to the year ended 31 December 2011 was paid in June 2012 (2011: Nil).

The Board of Directors does not recommend the payment of any interim dividend for the six months ended 30 June 2012 (2011: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BASIS OF PREPARATION

On 17 Feb 2012, Nantong CIMC Tank Equipment Co., Ltd. ("**Nantong Tank**"), a wholly-owned subsidiary of the Company, acquired from CIMC Vehicle (Group) Co., Ltd. and CIMC Tank Equipment Investment Holdings Company Limited 75% and 25%, respectively, of the issued share capital of Nantong CIMC Transportation & Storage Equipment Co., Ltd. ("**Nantong Transport**").

Since Nantong Tank and Nantong Transport 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 Nantong Transport in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants.

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. Thus, the comparative amounts in the content below are restated accordingly.

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 in the energy, chemical and liquid food industries.

Product portfolio

The three business segments of the Group are primarily carried out by seven 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 "Nantong CIMC".

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 "Holvrieka".

Operational performance

Turnover

Faced with the challenges of a slowing global economy, the Group maintained its track record of steady growth in the first half of 2012. Continual rise in the consumption of natural gas in China has been fuelling the growth of the Group's energy equipment segment. Despite weak economic data from the US and Europe dampened the chemical equipment segment's growth momentum, the segment managed to outperform the same period last year. With the ongoing effort to increase order intakes, the liquid food segment continues its expansion path. As a result, the turnover for the first half of 2012 increased by 23.3% to RMB3,829,173,000 over the same period of previous year (corresponding period in 2011: RMB3,105,559,000). The performance of each segment is discussed below:

Energy equipment remains the top grossing segment of the Group which accounted for 52.2% (corresponding period in 2011: 48.8%) of the overall turnover. The segment's turnover recorded a steady growth of 31.9% to RMB1,999,792,000 (corresponding period in 2011: RMB1,516,425,000) with both CNG and LNG storage and transportation equipment being the main contributors to the segment's growth.

Chemical equipment is second top grossing segment of the Group during the period with turnover recorded a modest growth of 10.3% to RMB1,430,445,000 (corresponding period in 2011: RMB1,296,821,000) and contributed 37.4% (corresponding period in 2011: 41.8%) of the overall turnover.

Turnover of liquid food equipment segment was RMB398,936,000 (corresponding period in 2011: RMB292,313,000), representing a rise of 36.5% and accounted for 10.4% (corresponding period in 2011: 9.4%) of the overall turnover.

Gross profit margin and profitability

The energy equipment segment's gross profit margin ("**GP margin**") fell by 2.1 percentage points to 21.8% (corresponding period in 2011: 23.9%). The decrease in the segment's GP margin was mainly caused by a decrease in the average selling price of certain products during the period.

The chemical equipment segment saw its GP margin improved from 13.5% in the same period last year to 17.5% during the period. The decrease in cost of raw materials during the period mainly accounted for the segment's increased GP margin when comparing with the same period last year.

The liquid food equipment segment's GP margin remained stable at 10.7% (corresponding period in 2011: 10.3%). In a continuous effort to boost sales order intakes, the segment has adopted an aggressive pricing strategy which puts pressure on its GP margin.

The effect of an improvement in the chemical equipment segment's GP margin has been offset to some extent by the fall in the energy equipment segment's GP margin, which combined to boost the Group's overall GP margin by 0.7 percentage point to 19.0% (corresponding period in 2011: 18.3%).

Profit from operations expressed as a percentage of turnover increased by 1.2 percentage points to 12.0% (corresponding period in 2011: 10.8%) which is mainly attributable to the economies of scale that saw selling expenses increased at a slower pace than the growth in turnover.

Research and development

In the six months ended 30 June 2012, several research and development ("R&D") projects and manufacturing technology enhancement projects were undertaken at the same time. The Group devoted RMB48,438,000 (corresponding period in 2011: RMB33,503,000) to the R&D of new products and manufacturing technologies.

Following the acquisition of Nanjing Yangzi Petrochemical Design & Engineering Co., Ltd. ("**YPDI**"), the Group's R&D team has been working closely with YPDI on the overall planning and coordination of R&D on project engineering services and integrated solutions as well as product design.

During the period, the energy equipment segment conducted R&D projects for LNG refueling station systems, LNG ship tanks and composite cylinder for hydrogen storage. The chemical equipment arm focused on the development of special tank containers and light-weight tank containers. Besides, through close strategic cooperation between the Group's R&D team and the external professionals from a research institute and a steel manufacturer in the PRC, the Group targets to develop its own high-strength steel for transportable pressure vessels.

The Group has successfully developed new manufacturing technologies for composite cylinders and cryogenic vessels in the first half of the year, both of which has been well recevied by the market. In the future, the Group will continue to devote more resources to launch quality products to broaden our customer portfolio and provide more sustainable growth in turnover.

Production capacity

In the first half of 2012, the Group invested RMB217,700,000 in capital expenditure. On top of the investments for maintaining production capacity and production technology improvements amounted to RMB155,660,000, the investment amount of RMB57,739,000 and RMB4,302,000 were attributable to enhancement of production capacity and acquisition activities respectively.

The newly acquired subsidiary, YPDI enriches our project engineering capability which enables us to expand into upstream customer network; while another acquisition of Nantong CIMC Transportation & Storage Equipment Co., Ltd. ("**Nantong Transport**") will further increase our production capacity of our existing energy equipment including LNG trailers and other cryogenic transportation and storage products. The completion of the above acquisitions definitely enables us to maintain leading position in equipment manufacturing.

The Group targets to expand the production capacity of its energy equipment in order to tap into the progressive growth of gas source due to more pipelines and costal LNG terminals in operations in the coming years. This target will be principally achieved by organic growth through both expansion of our existing production plants and the construction of new production lines. Following the investment plan starting last year, the capital expenditure continuously went to enhancement of energy equipment production facilities in the PRC which includes acquisition of land and construction of factory buildings for relocating the compressors production plant from the existing location to a newly developed industrial park in Bengbu. In addition, the Group is building a light weight composite cylinder production line in Shijiazhuang, expanding the LNG production facilities in Zhangjiagang and the LPG product plant in Jingmen. For the chemical equipment segment, the Group has also invested in enhancing the production capacities of the tank container production base in Nantong. In this year, the investment plan was further expanded to the production capacity enhancement of Natural Gas refueling system in Langfang.

The Group's major production plants of energy equipment and chemical equipment are located in six cities across four provinces in the PRC, which are Nantong and Zhangjiagang of Jiangsu province, Shijiazhuang and Langfang of Hebei province, Jingmen of Hubei province and Bengbu of Anhui province. Production plants of liquid food equipment are mainly at Emmen and Sneek of the Netherlands, Randers of Denmark, and Menen of Belgium.

Sales and marketing

The Group runs sales offices in the PRC and South-east Asia.

Energy and chemical products and services are delivered across the PRC and exported to South-east Asia, Europe and North America. Liquid food products and services are mostly sold in Europe.

The Group is committed to build a wide and solid customer network, especially with industry heavyweights and customers of great growth potentials. The Group's broad customer base includes big names such as PetroChina, ENN Energy, China Resource Gas Group, Xinjiang Guanghui, Air Products, EXSIF, TAL International, Sinochem International, Stolt-Nielsen and SABMiller.

In order to capitalise the business opportunities in overseas countries and diversify revenue sources, the Group is expanding its overseas markets. During the period, the Group's revenue derived from overseas amounted to RMB1,790,088,000 (corresponding period in 2011: RMB1,473,991,000). Special focus remains on emerging markets, such as South-east Asia, Central Asia and South America. The Group has organised visits to several emerging markets recently, so as to gather local market information and meantime promote its products and services.

Since the set-up of a representative office in South-east Asia has boosted local sales and allowed direct access to customers in surrounding regions, the Group will look for opportunities to set up more representative offices in various Asian countries to facilitate sales and promotion.

Meanwhile, by providing referral arrangement for finance lease, the Group is able to solicit and retain more customers especially under this competitive business environment and the tight monetary conditions in China.

The Group will also adopt some proactive sales and marketing approaches to enlarge its market share, for example, building of market information database, collaborative sales mechanism and major customer management program.

Cost control

With firm determination to maximise cost efficiency, the Group continues to implement cost control and management enhancement programs. During the period, operational efficiency and quality have been enhanced with internal resources better allocated and shared among operating units.

Purchase of raw materials commonly used by different operating units of the Group has been centralised and made in bulk order. Regular meetings with subsidiaries have been held to discuss and formulate procurement plans. An inventory collaboration team has also been formed to monitor the inventory level and procurement processes. During the period, satisfactory results in cost reduction have been accomplished.

The Group has also achieved cost reduction through optimising product design and production processes. For instance, the Group has been manufacturing key components internally to maintain cost efficiency.

Customer service

The Group values long-standing relationship with customers. Customer service centres has been established in various cities in the PRC and timely delivery of after-sales customer service and technical support is pledged.

Company visits are arranged regularly for local and overseas customers who are interested in gaining a better understanding of the daily operation and production processes of the Group. Moreover, the Group organises regular conferences where customers are encouraged to share their opinion on the Group's products and services.

The Group, in collaboration with the Chinese Institute of Specialty Equipment Inspection and Testing (中國特種設備檢測研究院), has established five examination centres for CNG trailers and other high pressure cylinder trailers in Xi'an, Shenyang, Haikou, Urumqi and Yangzhou, the PRC. The centre in Urumqi will be moved and combined with a new centre in Xinjiang which is expected to put into operation in the second half of 2012. These examination centres are authorised to provide safety examinations for high pressure cylinder trailers required for special-vehicle license renewal in accordance with relevant safety regulations.

Human resources

At 30 June 2012, the total number of employees of the Group was approximately 8,080. Total staff costs (including Directors' emoluments, retirement benefits schemes contributions and share option expenses) were approximately RMB425,452,000 (corresponding period in 2011: RMB384,445,000).

There have been no material changes in respect of employee incentive and bonus policies, share option scheme and training scheme as disclosed in Annual Report 2011.

FINANCIAL RESOURCES REVIEW

Liquidity and financial resources

At 30 June 2012, the Group recorded cash on hand of RMB885,760,000 (31 December 2011: RMB1,082,020,000) and bank loans and overdrafts of RMB637,306,000 (31 December 2011: RMB515,707,000). A portion of the Group's bank deposits totalling RMB64,610,000 (31 December 2011: RMB86,940,000), which had more than three months of maturity at acquisition, were secured for letters of credit, bills payable and bank guarantee. The Group has maintained sufficient cash on hand for repayment of bank loans 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 2012, the Group's bank loans and overdrafts amounted to RMB637,306,000 (31 December 2011: RMB515,707,000) and apart from the HKD300,000,000 (equivalent to RMB244,566,000) three-year term loan that bears interest at floating rates, the remaining bank loans bear interest at rates from 2.36% to 6.89% per annum and repayable within one year. At 30 June 2012, the Group did not have secured bank loan (31 December 2011:Nil). As of 30 June 2012, bank loans amounting to RMB637,129,000 (31 December 2011: RMB512,757,000) were guaranteed by the Company's subsidiaries.

The net gearing ratio, which is calculated by dividing net debt over equity, was zero times (31 December 2011: zero times) as the Group retained a net cash balance of RMB248,454,000 (31 December 2011: RMB566,313,000). The decrease in net cash balance is arising from the increment of inventory, which is mainly to fulfill the higher work capital requirement for expanding trade volume. The Group's interest coverage was 68.8 times for the period (corresponding period in 2011: 33.6 times) which demonstrates that the Group is fully capable of meeting its interest expense commitments.

During the period, net cash generated from operating activities amounted to RMB54,395,000; whilst RMB157,978,000 used in operating activities for the same period last year. The Group drew bank loans of RMB658,038,000 (corresponding period in 2011: RMB484,979,000) and repaid RMB533,667,000 (corresponding period in 2011: RMB119,265,000).

Assets and liabilities

At 30 June 2012, total assets of the Group amounted to RMB7,040,697,000 (31 December 2011: RMB6,777,052,000) while total liabilities were RMB3,400,949,000 (31 December 2011: RMB3,346,312,000). The net asset value rose by 6.1% to RMB3,639,748,000 (31 December 2011: RMB3,430,740,000) which was mainly attributable to the net profit of RMB376,184,000 and exchange difference on translation of financial statements denominated in foreign currency of RMB10,377,000, but offset by dividend payment of RMB116,881,000 for the period. As a result, the net asset value per share increased to RMB1.943 at 30 June 2012 from RMB1.832 at 31 December 2011.

Contingent liabilities

At 30 June 2012, the Group did not have any significant contingent liabilities.

Capital commitments

At 30 June 2012, the Group had contracted but not provided for capital commitments of RMB119,901,000 (31 December 2011: RMB354,350,000). As of 30 June 2012, the Group did not have authorised but not contracted for capital commitments (31 December 2011: 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 HK dollars. 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 for material investments and expected source of funding

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. Concurrently, the Group will 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. As of 30 June 2012, the Group had total capital commitments of RMB119,901,000.

FUTURE PLANS AND STRATEGIES

As mentioned in the Group's Annual Report 2011, the world economy has resumed its gradual recovery, yet the recovery will continue to face uncertainties. Even though in the first half of 2012, China's GDP increased 7.8% year-on-year, other financial data suggest that economic growth of the country has entered a phase of slowing down, which provides scope for further policy easing. At the same time, the United States saw a gradual recovery while Europe has not shown any clear sign of recovery.

Confronted with the global economic uncertainties in the next six to twelve months, the Group remains prudently optimistic about the outlook of the sectors it engaged in. The Group strives to become a world-leading manufacturer of specialised equipment and provider of related project engineering services in energy, chemical and liquid food industries. Following the completion of two acquisitions during the period, the Group's business portfolio and leading market position have been reinforced.

One of the newly acquired subsidiaries, Nantong CIMC Transportation & Storage Equipment Co., Ltd. ("**Nantong Transport**") has contributed to the Group's revenue and production capacity of LNG trailers and other cryogenic transportation and storage products. In addition, the Group has benefited from the synergy brought by the acquisition of Nantong Transport in terms of manufacturing technologies and economies of scale. Another acquisition of Nanjing Yangzi Petrochemical Design & Engineering Co., Ltd. ("**YPDI**") has enriched the Group's engineering service capability and created synergy by means of technological development and expanded market reach. YPDI has yielded positive returns to the Group since offering one-stop engineering and procurement services for customers.

In the first half of 2012, China has consumed 72.1 billion cubic meters ("**bcm**") of nature gas, up 15.9% compared to a year earlier. China has also reported a surge of 44.6% in natural gas imports to 19.8 bcm over the corresponding period of last year. Embracing the PRC government's plan to boost natural gas consumption with significant investment being poured into the natural gas industry, the Group has invested proactively in building new plants over the past two years to enhance its production capacity and strengthen its competitive advantages. The Group's new production plants located in Shijiazhuang and Langfang of Hebei province and Bengbu of Anhui province will gradually come into operation in the second half of 2012. In the future, the Group will be more mindful of investment in capital expenditure.

Besides, the Group will step up its effort in exploring project engineering business and largely focus on the development of cryogenic tanks, refueling station projects, small and medium scale liquefaction, petrochemical gas storage, gas processing projects, chemical spherical tanks and special vessels for nuclear energy.

The Group's chemical equipment segment will remain committed in maintaining its leading position in tank container manufacturing business by controlling production costs and operational efficiency. To pursue more business opportunities, the segment will input more resources to the development of special tank containers and exploration of new customers and new markets through proactive marketing strategies.

The outlook of the global liquid food industry remains positive, especially in developing countries like China. With the anticipation of a steady growth of the industry, the Group's liquid food equipment arm will continue to implement development strategies to broaden its customer network and provide more sustainable growth in turnover.

On 16 August 2012, the Group entered into an asset purchase agreement to purchase certain assets of Ziemann Group. Ziemann Group was one of the world's leading turnkey solution providers in brewing with long business history and provided comprehensive equipment and services to breweries including raw material processing, brew houses and cold block equipment in various countries. The Group believes that the acquisition will facilitate the development of the Group's capability for providing comprehensive turnkey solutions to its customers and enhance the Group's competitive advantages in the liquid food equipment business. In addition, it is expected that the Group's liquid food equipment arm will benefit from the acquisition in terms of enhancement of brand name, marketing network, manufacturing technologies, process automation and project references. The acquisition will also complement the Group with capabilities to expand its presence in the liquid food equipment market both in Europe and internationally.

Expansion of overseas market has been the Group's long-term development strategy. Recently, the senior marketing team of the Group has visited the northern American market for onsite market research on the local LNG and shale gas industries. The Group will continue to monitor closely the market trend and translate the new market opportunities into business returns in the foreseeable future.

As for the operational aspect, facing the future economic uncertainties due to the debt crisis in Europe, the slow economic recovery in the United States, the political instability in the Middle East, as well as the anticipated slowdown of economic growth in China, extra efforts will be put into implementing a number of stringent cost control measures and internal control policies to maintain the Group's competitiveness. As planned earlier in the year, the Group will also continuously pay attention to operational cash flow planning and control through tighter control on inventory levels and trade receivables.

The Group will also persist in its manufacturing technology improvement programs and the ONE (Optimization Never Ending) production program which can contribute to reduction in production costs and sustainable enhancement of production efficiency and product quality.

Thanks to the shareholders and customers for their trust and support and thanks to all directors and employees for their dedication and good work. The Group endeavours to capture opportunities ahead and continue to grow and bring the best returns to its shareholders.

CORPORATE GOVERNANCE

From 1 January 2012 to 31 March 2012, the Company complied with all the code provisions of the former Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company has adopted the revised Corporate Governance Code (the revised "**CG Code**") contained in Appendix 14 to the Listing Rules effective from 1 April 2012 as its principal guideline in relation to corporate governance.

From 1 April 2012 to 30 June 2012, the Company complied with all the code provisions of the revised CG Code, except for the deviation of code provision A.6.7 that Mr. Jin Yongsheng, a non-executive Director, was unable to attend the annual general meeting of the Company (the "**AGM**") held on 18 May 2012 due to other important business commitment. All the remaining eight Directors attended the AGM.

The latest corporate governance report of the Company is set out in the Annual Report 2011. 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 interim 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. Zhao Qingsheng *(Chairman)*, Mr. Gao Xiang *(General Manager)*, Mr. Jin Jianlong and Mr. Yu Yuqun as executive Directors; Mr. Jin Yongsheng and Mr. Petrus Gerardus Maria van der Burg 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
Zhao Qingsheng
Chairman

Hong Kong, 20 August 2012

The Interim Report 2012 will be dispatched to the shareholders and published on the websites of the Company and the Stock Exchange.