CIMC ENRIC

For Immediate Release

Revenue increased by 33.9% to RMB10,671 million for FY2017

Profit from operations increased by 11.3% to RMB740 million

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(Hong Kong, 21 March 2018) - CIMC Enric Holdings Limited ("CIMC Enric", or the "Company", together with its subsidiaries, the "Group") (Stock code: 03899.HK) announces its annual results for the year ended 31 December 2017.

Mr. Gao Xiang, the Chairman of CIMC Enric, said, "CIMC Enric experienced a crucial year in 2017 with a range of challenges facing the sectors it is engaged in. Compared to the Group recorded loss attributable to equity shareholders for the year of 2016, the Group reported the profit attributable to equity shareholders for the year of 2017. We strive to become a respected world-leading enterprise in the energy, chemical and liquid food industries."

Operational Performance

Gradual recovery of the international oil price and favourable policies announced by the PRC Government boosted the consumption of natural gas in China during 2017. This in turn caused the demand for natural gas equipment, especially LNG equipment, to increase during the year; thus, resulting in the surge of energy equipment and engineering segment's revenue during the year. The rise in demand for tank containers caused the chemical equipment segment to post an increase in revenue during the year. The liquid food equipment segment's revenue increased in 2017 partly due to inorganic growth resulting from the acquisition of Briggs Group Limited in June 2016 and partly from organic growth. As a result, the revenue for 2017 rose by 33.9% to RMB10,671,276,000 (2016: RMB7,968,403,000). The performance of each segment is discussed below:

During the year, the energy equipment and engineering segment's revenue rose by 53.0% to RMB4,958,683,000 (2016: RMB3,241,382,000). The increase in import of LNG substantially boosted the demand for LNG trailers. While the widening of the price differential between natural gas and oil, caused natural gas vehicle related products like on-vehicle LNG fuel tanks to record a robust rebound in demand during 2017. At the same time the expansion into marine LNG module business and LNG tank containers, as a new LNG storage and transportation medium, also contributed to the growth in natural gas equipment's revenue during the year. The segment remains the top grossing segment and accounted for 46.4% of the Group's total revenue (2016: 40.7%).

The chemical equipment segment's revenue increased by 22.4% to RMB3,026,389,000 (2016: RMB2,471,644,000) due to an increase in the sales volume of tank containers. The segment made up 28.4% of the Group's total revenue (2016: 31.0%).

The liquid food equipment segment's revenue posted a growth of 19.1% to RMB2,686,204,000 during the year (2016: RMB2,255,377,000) due to both inorganic growth from an acquisition in 2016 and organic growth of its original business. The segment accounted for 25.2% of the Group's total revenue (2016: 28.3%).

Dividends

A final dividend in respect of the year ended 31 December 2017 of HKD0.08 (equivalent to approximately RMB0.07) per share has been proposed by the Directors. No dividend in respect of the year ended 31 December 2016 was paid in 2017.

The Acquisition of SinoPacific Offshore & Engineering Co., Ltd.

The Group purchased the major assets of SinoPacific Offshore & Engineering Co., Ltd. ("SOE") through acquiring the entire equity interest in SOE on 4 August 2017 and renamed it Nantong CIMC SinoPacific Offshore & Engineering Co., Ltd. ("南通中集太平洋海洋工程有限公司") on 15 August 2017. Based on the repayment capability analysis provided by the receiver, the recoverable amount of the Financial Assistance was estimated to be approximately RMB190,521,000. Therefore, the Group made an additional provision for impairment of RMB105,549,000 during the year.

Prospects

Since mid-2016, the recovery of global economy has been further strengthened. Approximately 120 economies (which accounted for 75% of the global GDP) reported faster year-on-year economic growth for 2017, which is a period of broadest global economic growth since 2010. This was underpinned by a notably higher global economic growth rate, ongoing improvements in the labour market, moderate increase in global consumer prices, rising bulk commodity prices, improved growth rates for international trade and so on. International Monetary Fund upped its 2017 global growth forecast to 3.7% in "World Economic Outlook", who believes the strong growth momentum is expected to sustain through 2018 and 2019, and revised the global growth rate upward to 3.9% for these two years accordingly.

The Chinese economy has been an instrumental force behind the robust global economic growth. According to the National Bureau of Statistics, China's full-year GDP for 2017 amounted to RMB82,700 billion, representing an annual growth rate of 6.9%, which makes China a leader among the major economies. It is worth noting that China's economic development in 2017 was chiefly characterised by the gradual consolidation of its transition from high-speed to high-quality growth.

Under the favourable context of global economic recovery and high-quality economic growth in China, the Group would adhere to the philosophy of sustainable development of clean energy, green logistics and beautiful life. We would continue to pursue the vision of becoming “a respected world-leading enterprise in energy/chemical/food industries”, to contribute to the healthy development of the global energy, chemical and liquid food industries, to contribute to a better living and to create value for the Company’s stakeholders.

Energy equipment and engineering

During 2017, natural gas has grown into a hot topic, news about natural gas reforms, satellite supply stations, coal-to-gas conversion, pollution management, and also regional “gas shortage” in China have attracted many attentions. To some extent, the stable supply of natural gas has become one of the most important livelihood issues. Despite the ups and downs, China’s natural gas market has gone through the stage of most rapid growth during 2017, whether in terms of market liberalisation or natural gas consumption.

Given the recovery of international oil price and the positive Chinese economy, a series of policies in favour of the development of natural-gas-related industry have been announced and implemented intensively, pushing China’s natural gas consumption back on track to rapid growth. According to National Development and Reform Commission, China produced 148.7 billion cubic metres and imported 92.0 billion cubic metres of natural gas in 2017, representing year-on-year growth of 8.5% and 27.6%, respectively, while the volume of natural gas consumption increased to 237.3 billion cubic metres, with a year-on-year growth of 15.3%. Moreover, natural gas consumption is expected to maintain high growth in the long run, as BP Energy predicts that natural gas will overtake coal as the world’s second largest energy source by 2035 and account for a larger share of primary energy. Therefore, we believe that the energy equipment and engineering segment is and will remain in a phase of rapid growth of the natural gas industry especially liquified natural gas.

In view of such favourable prospect, the Group’s energy equipment and engineering segment will continue to pursue strategies such as internal optimisation, capacity consolidation and business collaboration, etc, as it strengthens and expands its existing capabilities in key equipment manufacturing, engineering services and solutions, to strategically covering the whole natural gas industry value chain, more particularly, to cover LNG marine applications such as the small-medium sized multi-gas carriers, LNG marine fuel tank series and offshore engineering/oil gas treatment module. In the meantime, the segment strives to develop other natural-gas-oriented business such as clean fuel storage and transportation equipment manufacturing, on-vehicle fuel tank manufacturing and the integrated solution for distributed energy application. The segment also actively explores other clean energy business opportunities in order to sustain a stable business development.

Chemical equipment

With advantages such as leak-proof, safety, eco-friendliness, recyclability, long service life, versatility with intermodal transportation for a diverse range of products and economic efficiency, tank container has been widely used in the European and American markets for years. Meanwhile, hazardous chemicals in China are transported via traditional modes with potential safety hazards such as tank trucks, drum barrels or bags, resulting in numerous serious accidents. Meanwhile, the Chinese government is applying more stringent requirements in the control of hazardous chemical transportation and, with the nation’s standards gradually converging with international standards, the prospect of tank container usage in China is growing.

In May 2017, a full freight of liquefied chemicals was exported from Xinjiang to Europe via the “Xinjiang-Europe-Mediterranean” Sino-European rail freight service for the first time, using tank containers manufactured by the Group. The facilitation of liquefied chemical trading in tank containers between China and Europe, would promote the sharing of resources and the economic development of countries along the routes.

In the longer term, the global chemical industry is expected to sustain steady growth following the gradually stabilising global economy as well as developments of the emerging markets. The global investment in chemical products is expected to recover gradually. Tank container as a safe, economical, eco-friendly and digitalised means of logistics will be the future development trend. Moreover, the advance in science and technology will result in the development of new chemical products which in turn will raise the demand for tank containers.

In view of the above, the chemical equipment segment of the Group would be engaged in offering chemical logistic solutions, targeting one-stop service for clients, with an aim to cement its leading position in the global market. On one hand, the segment will enhance its production efficiency and general competitiveness through innovations in manufacturing technology, cost control and optimised production. On the other hand, it will also provide indepth after-sales services, while exploring new possibilities of the tank container business from internet-of-things (IOT) technology, helping clients to build digitalised operation system and improve their operating efficiency.

Liquid food equipment

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 is an ongoing process and 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 enhance the branding of "Ziemann Holvrieka" and "Briggs". Under the objective of a unified corporate image, the segment position 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.

Mr. Gao Xiang concluded, "I would like to thank my fellow Directors for their contribution and all our staff for their dedication and hard work. On behalf of the Board and the management, I would like to express my sincere gratitude to our shareholders, customers, suppliers and business partners for their continuing support. Looking ahead, the Group remains prudently optimistic about the outlook of the sectors it is engaged in. The Group firmly believes that the combination of the Group's key strategies and diversified business model will create sustainable and long-term value to shareholders."

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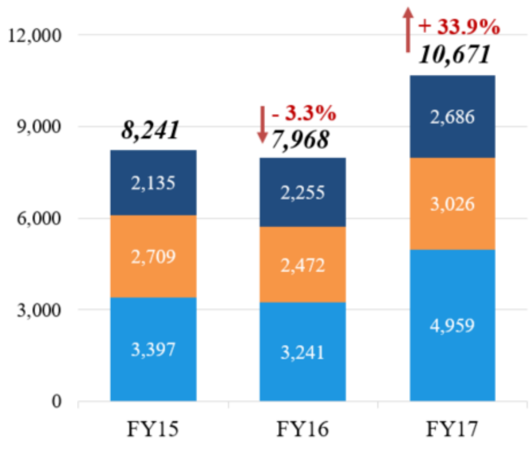
Financial Highlights

RMB'000	2016	2015	Change
Revenue	**10,671,276**	**7,968,403**	**33.9%**
Gross profit	**1,796,289**	**1,403,633**	**28.0%**
Profit from operations	**740,475**	**665,559**	**11.3%**
(Loss)/profit for the year	**420,181**	**(936,680)**	**144.9%**
(Loss)/profit attributable to equity shareholders	**417,360**	**(928,772)**	**144.9%**
(Loss)/earnings per share – basic	**RMB0.215**	**(RMB0.480)**	**144.8%**
(Loss)/earnings per share– diluted	**RMB0.213**	**(RMB0.480)**	**144.4%**
Net asset value per share	**RMB3.017**	**RMB2.737**	**10.2%**

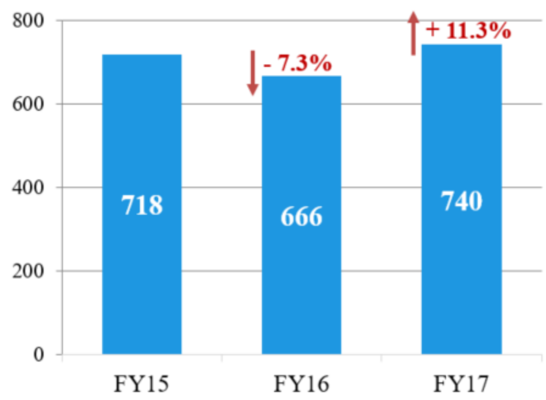
RMB million

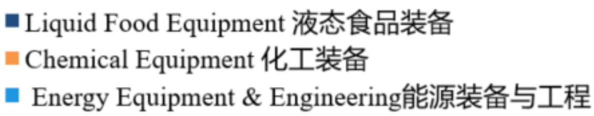
Revenue



RMB million

Profit from Operations





CIMC Enric Holdings Limited

CIMC Enric 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.

Key products of each segment include: CNG seamless pressure cylinders, on-vehicle LNG fuel tanks, CNG and LNG trailers, LPG trailers and tanks and natural gas refueling station systems in the energy equipment segment;

Liquefied natural gas ("LNG") trailers and tanks, Natural gas refueling station systems, Compressed natural gas ("CNG") seamless pressure cylinders, CNG trailers, Liquefied petroleum gas ("LPG") trailers and tanks, Natural gas compressors, Project engineering services, e.g. LNG related projects, IMO Type C Tank, LNG, LPG and liquefied ethylene gas ("LEG") carriers and Marine oil and gas module; tank containers for chemical liquids, liquefied gas and cryogenic liquids in the chemical equipment segment; and stainless steel processing and storage tanks in the liquid food equipment segment, and project engineering services, e.g. turnkey projects for the processing and distribution of beer and fruit juice.

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The announcement of the annual results for the year ended 31 December 2017 is available at the Company's IR portal at <u>www.irasia.com/listco/hk/enric</u>.