

[For Immediate Release]



(Stock code: 3899)

CIMC Enric Announces 2020 Annual Results

Financial Highlights

	As of 31 December		Change
	2020 RMB'000	2019 RMB'000	
Revenue	12,289,567	13,743,019	-10.6%
Profit attributable to shareholders	579,923	911,007	-36.3%
EPS - Basic	RMB 0.293	RMB 0.464	-36.9%
EPS - Diluted	RMB 0.293	RMB 0.459	-36.2%
Dividend Payout Ratio	approx.40%	approx.40%	unchanged

(23 March 2021 – Hong Kong) - CIMC Enric Holdings Limited (“CIMC Enric” or “the Company”, SEHK stock code: 3899), today announces its audited annual results for the year ended 31 December 2020.

Chairman and Non-executive Director of CIMC Enric Mr. Gao Xiang commented, “The COVID-19 outbreak in 2020 has severely affected the operation of the global economy and international trade, while the production and operations of certain overseas subsidiaries of the Company had been significantly affected to a certain extent. In the face of such unfavourable circumstances, the Company has actively adjusted its business strategy to respond to the pandemic to minimize the negative impact. During the year under review, the Company has maintained profitability and positive free cash flow.”

In view of the Group’s continued business development and the purpose of sharing returns with shareholders, the Board of Directors recommends the payment of a final dividend of HK\$ 0.14 per share for the year ended December 31, 2020 (2019: HK\$ 0.20 per share), a dividend payout ratio of approximately 40%, the same as last year.

Operational Performance

Profit attributable to shareholders decreased 36.3% to RMB 580 million (2019: RMB 9.1 billion). Basic earnings per share and diluted earnings per share were RMB 0.293 and RMB 0.293 respectively (2019: RMB 0.464 and RMB 0.459).

The clean energy segment’s revenue rose by 2.7% to RMB 7.00 billion (2019: RMB 6.81 billion), accounting for 57.0% of the Company’s total revenue (2019: 49.6%). This mainly due to the increase in the demand for storage equipment as well as downstream application

equipment. During the first three quarters of 2020, there was ample supply of LNG at stable prices, encouraging more coal-to-gas conversion in various regions. In addition, the Company reported sound sales in storage equipment and engineering projects as China continues to encourage the construction of more peak-shaving infrastructures. Down-stream applications also benefited from the economic advantages of natural gas, more LNG fuel consumption and upgrade were seen in offshore and onshore traffic sectors, driving the sales growth of LNG on-vehicle fuel tanks and on-ship LNG fuel tanks. The Company also focused in exploring the hydrogen business and established the “Industry Demonstration Base of Hydrogen Equipment in Shijiazhuang, Hebei”, and won the bid for the hydrogen refuelling station equipment procurement project of National Energy Group.

The chemical and environmental segment’s revenue fell by 40.1% to RMB 2.03 billion (2019: RMB3.39 billion), accounting for 16.5% of the Company’s total revenue (2019: 24.6%). In 2020, the COVID-19 outbreak and the setback of the global chemical industry have led to a decline in demand for storage and transportation equipment used for internationally traded liquid chemical and industrial gases, posing severe challenge for the tank container business of the chemical and environmental segment. Despite market uncertainties in the short term, the segment strived to maintain its prestigious market position, as “CIMC Tank” has been the bestselling tank container in the global market for 17 years consecutively, according to International Tank Container Organisation (ITCO) statistics. The Company has accelerated the promotion of the application of tank containers in China’s chemical logistics sector to strive for new opportunities brought by new development landscape of the “dual circulation” of the domestic and international markets. At the same time, the Company is also vigorously expanding environmental protection business, and the first cooperative project in integrated utilisation of hazardous waste has made good progress.

The liquid food segment’s revenue fell by 11.3% to RMB 2.73 billion in 2020 (2019: RMB3.08 billion), accounting for 22.2% of the Company total revenue (2019: 22.4%). Although certain overseas projects were delayed to various extents due to the pandemic, the Company’s business diversification plan remained on course and gradually developed new market such as Baijiu and sparkling water, as well as securing interim orders from these sectors to prepare for the recovery of the domestic consumer market.

Prospects

Clean Energy

China continues advancing energy structure optimisation with further promotion of green energy to enhance the efficiency. China’s leader has pledged to reduce carbon emission, in a bid to achieve carbon neutrality by 2060. Therefore, China’s natural gas industry is entering a new phase of development and a critical period in energy transformation. In the long run, market demand for natural gas in China will maintain a sustainable growth and the industry will remain in a stage of significant development.

As the only key equipment manufacturer and integrated engineering services provider with full-industry chain layout in the natural gas sector in China, the Company directly benefits

from the positive development of natural gas industry in China. Under the quickening pace of energy transformation in China, it is expected that green energy such as natural gas and hydrogen energy will be vigorously developed in the upcoming "14th Five-Year Plan". The Company is also actively complying with the government's plan, adjusting the business structure and increasing R&D investment in the clean energy segment, in order to further enhancing the competitive advantage of the Company as a leading and intelligent enterprise in manufacturing of clean energy equipment.

Adhering to the core business of "equipment manufacturing + project engineering service + integrated solution" as the main path, the segment will actively track with national policies, and strategically covers the entire natural gas industry chain, with a special emphasis on building full product portfolio to cover the whole LNG and LPG business chains. We will also seize new opportunities in the field of hydrogen energy storage, distribution and refuelling, and the opportunities from the field of processing and applications of unconventional natural gas, and opportunism from offshore LNG applications.

On 2 March 2021, the wholly-owned subsidiary of the Company, CIMC Hydrogen Energy Technology Ltd, entered into Joint Venture agreements with Hexagon Purus HK Holdco AS to provide safe, lightweight and cost-efficient compressed hydrogen storage and distribution solutions to meet the fast-growing market demand in China and Southeast Asia.

Chemical and Environmental

On top of reinforcing its position in the overseas market, the Company launched "CIMC Tank" for domestic chemical market with "Tankmiles" intelligent monitoring system to realise intensive and safety management for chemical goods. The Company has also cooperated with wellrenowned customers in China, such as China Railway Tielong Container Logistics Co. Ltd. and Milkyway Chemical Supply Chain Service Co., Ltd., to promote the use of tank containers and intermodal transportation in China, advancing the role of tank container in development of green logistics. Meanwhile, the Company will continue to enhance R&D and market development. While consolidating the equipment manufacturing business, the Company will use Internet of Things to help customers enhance digital operation and operating efficiency to realise smart logistics, and provide customers with more value-added service.

With the support of a range of environmental protection policies and on the foundation of our core capacity in equipment manufacturing, the Company will take technological invention in environmental protection sector as the core competitive strength and hazardous waste disposal business as the key development orientation, to build up its capacity in whole-industry-chain. The segment would expand towards two business dimensions of "waste recycling + ecological environmental service" and engage in large-scale, standardised and intensive operations to strive for a leaping development in the environmental business.

As disclosed in the announcement dated 16 December 2020, the Company is considering the feasibility of a proposed spin-off and separate listing of CIMC Safeway Technologies Co., Ltd (中集安瑞環科技股份有限公司) by way of separate A-shares Listing. An application

for the proposed spin-off has been submitted to the Hong Kong Stock Exchange and the Listing Committee has granted approval for the proposed spin-off under Practice Note 15. Through the separate A-share listing, the Company wishes to gain access to a sound platform for the sustainable development of the tank container business and new exploration in the environmental protection sector.

Liquid Food

In future, the liquid food segment will focus on global expansion, and further strengthen its competitive advantage in the brewery equipment business by utilising its core technology to enhance the development of EPC and turnkey services. Meanwhile, the Company strives to proactively develop businesses for other liquid food industries apart from beer, such as distilled liquor processing, juice storage & transportation and dairy product processing, providing the most reliable, economical and innovative products and comprehensive solutions for customers.

Chairman and Non-Executive Director of CIMC Enric Mr. Gao Xiang concluded, “The COVID-19 pandemic is still spreading globally. As the first year of the ‘14th Five-Year Plan’, 2021 is a year of both opportunities and challenges. The commitments of ‘Peak Emissions’ and ‘Carbon Neutral’ are expected to reshape China’s original clean energy development pattern. As an expert in the sector of clean energy storage and transportation, the Company will continue to focus on its main business while actively grasping the market opportunities brought by the development of China’s hydrogen industry chain to gain more market share. While consolidating all major business in China market, the Company actively adjusts its operating strategies in overseas markets, as well as creating better results by upgrading products and business models.”

About CIMC Enric Holdings Limited

Founded in 2004, CIMC Enric Holdings Limited has been listed on the Stock Exchange of Hong Kong since 2005. The Company is affiliate to China International Marine Container (Group) Ltd. (“CIMC”) and is principally engaged in transportation, storage and processing equipment that is widely used for the clean energy, chemical and environmental and liquid food industries. CIMC Enric has been a leading integrated service provider and key equipment manufacturer in the industry. The Company is among the world’s top players in both production and sales of ISO liquid tanks as well as high-pressure gas storage and transport vehicles. It is among China’s top players in the market of cryogenic transport vehicles and cryogenic storage tanks and among top three in terms of domestic market shares for large storage tanks for LNG receiving stations, modular products for LNG refueling stations. CIMC Enric has built a global marketing network and have over 20 subsidiaries located in China, the Netherlands, Germany, Belgium, United Kingdom and Canada that operate production bases and internationally advanced R&D centers.

For more information, please visit <http://www.enricgroup.com>

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