



CIMC ENRIC

中集安瑞科控股有限公司
(3899.HK)

2020 Annual Results 全年业绩

English Version

2021.03.23 updated



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2. **Financial Review**
3. **Business Review & Outlook**

Snapshot of 2020 Results

Advancing the business despite headwind

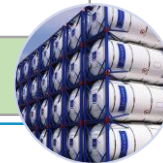
- Revenue for clean energy increased
- Strategic breakthrough in hydrogen energy business layout.
- Overseas' revenue from onshore clean energy business increased YOY

Clean Energy



- “CIMC Tank” has been the bestselling tank container in the global market for 17 years consecutively
- Exploit after-sales market through “Tankmiles” intelligent monitoring system
- New environmental protection business has recognised revenue

Chemical & Environmental



- The acquisition of McMillan completed our coverage of the entire value chain of the distilled liquor industry.
- Three significant turn-key brewery projects won prior to the fourth quarter of 2020 which exceeds USD200 million.

Liquid Food



Strategic focus Pursuing the best

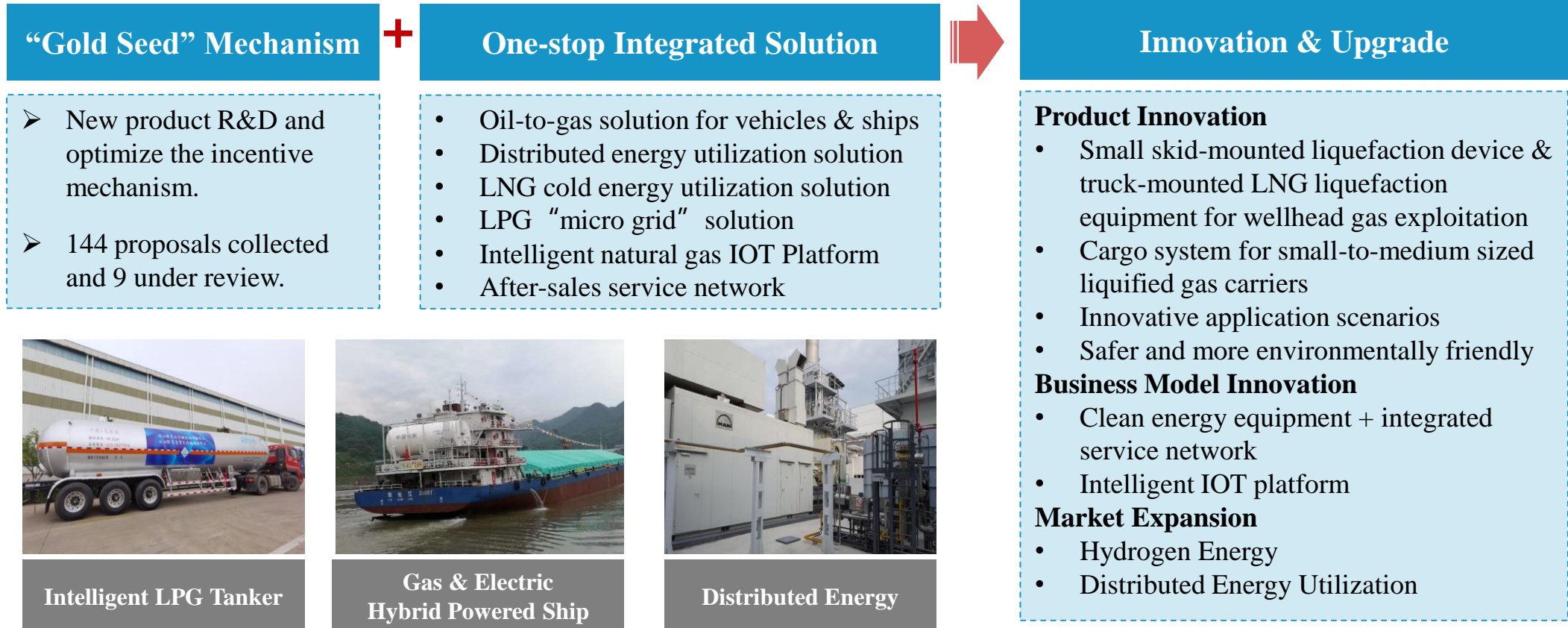
- Considering the feasibility of a proposed spin-off and separate listing of “CIMC Safe Tech” (the Chemical & Environmental Business Segment) by way of separate A-shares listing.
- A proposal on the Proposed Spin-off has been submitted to HKEx, who had agreed that the company may proceed with the Proposed Spin-off under PN 15.

Sound financial position Dividend pay-out ratio maintained

- Positive free cash flow, Debt-to-Asset Ratio ~54%, healthy financial position
- Stable gross profit margin of 17%
- 40% dividend pay-out ratio maintained

Technological Innovation Contributes to Our Achievement

- **R&D and innovation-** more than RMB359 million invested on R&D (FY2019: around RMB310 million), which is around 2.92% of total revenue (FY2019: 2.26%).
- The Group held exclusive rights to **over 970 patents** (+120 patents during the year), including—
 - over 120 invention patents (+16 patents during the year);
 - 19 patents franchised by foreign parties
 - Won two China Patent Excellence Awards;



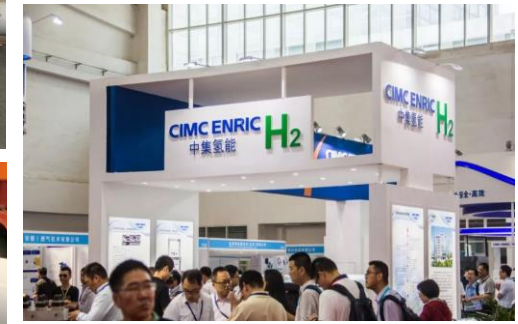
Provide Systematic Solutions with Innovated Products

- **Significant progress made in R&D of hydrogen energy equipment:**

- Successful R&D of 50MPa steel hydrogen storage equipment which has passed a series of environmental tests and has been sold for hydrogen refuelling stations.
- The 30MPa tube bundle container with the highest hydrogen transport pressure in China has been successfully developed after passing various tests.
- The first hydrogen refuelling mother station product was successfully developed and delivered.
- Strategic cooperation with foreign compressor manufacturer to complete the R&D of the first 20-Ft skid-mounted diaphragm compressor.
- Develop the trail model of small-scale distributed power-heat system for demonstration usage on hydrogen powered buildings.
- Completed R&D and trial production of the type 3 on-vehicle hydrogen cylinders for trucks.

- **The world's first batch of 45-Ft LNG tank container delivered**

- We have done the exclusive R&D of a large-volume 45-foot LNG intermodal tank container during first half of the year, which optimizes the product operating system, and enhances stability.
- The new design of LNG tank container is suitable for hoisting facilities and transportation equipment of various terminals at home and abroad, thereby reducing customers' operating costs and improving turnover efficiency.





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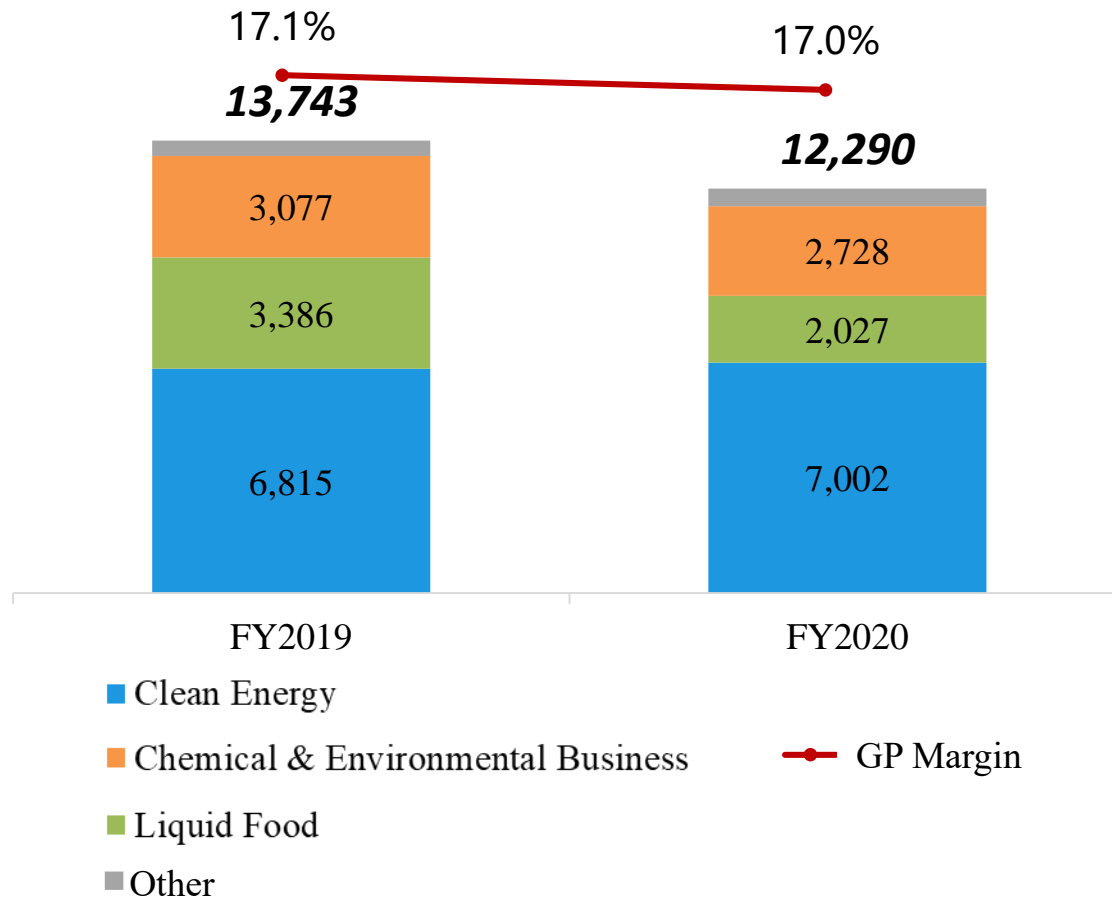
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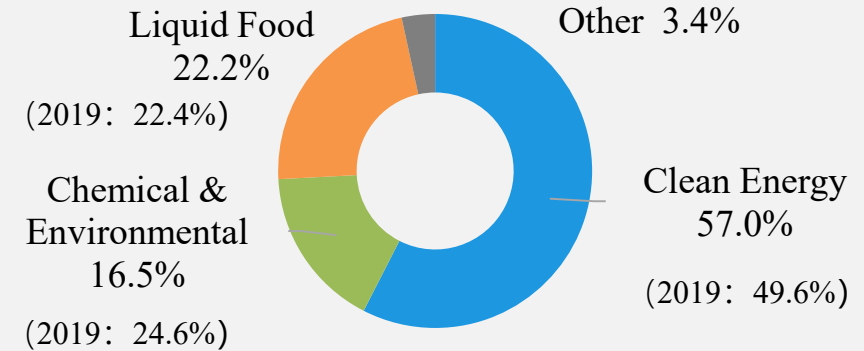
Revenue Dropped Due to COVID-19 but Recovery is at the Corner

CIMC Enric's Revenue dropped by 10.6% YoY

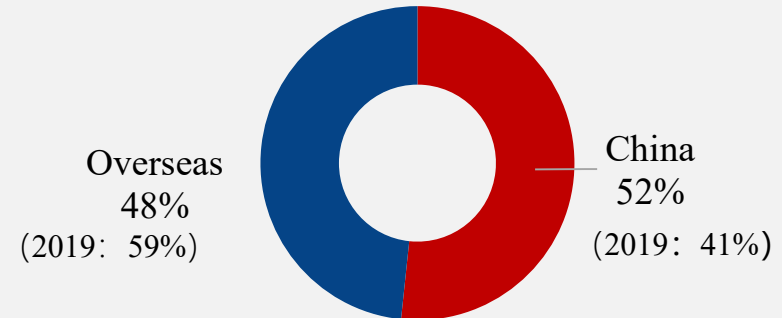
Unit: RMB Million



Revenue Breakdown by Segment



Revenue Breakdown by Geographic Location

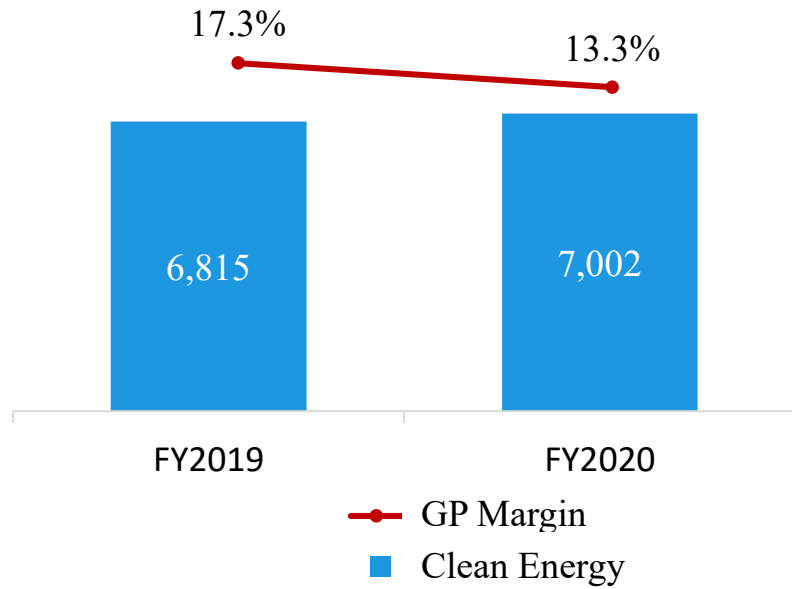


CIMC Enric's CapEx in FY2020: RMB 493 million

Clean Energy Segment Contributed Stable Revenue

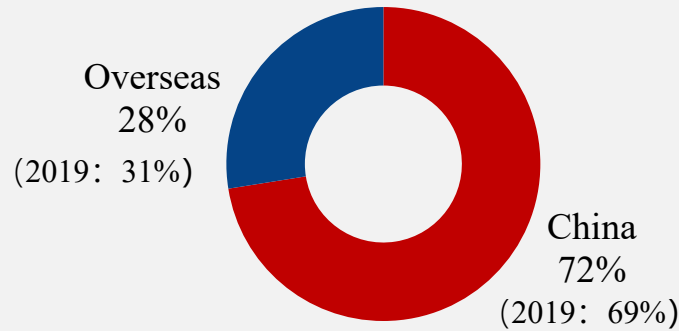
Clean Energy Segment's Revenue increased by 2.7% YoY

Unit: RMB Million

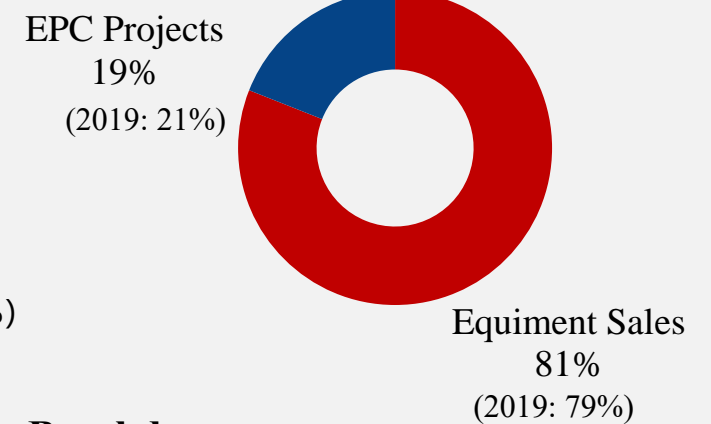


Clean Energy Segment's CapEx in FY2020: RMB 162 million

Revenue Breakdown by Geographic Location

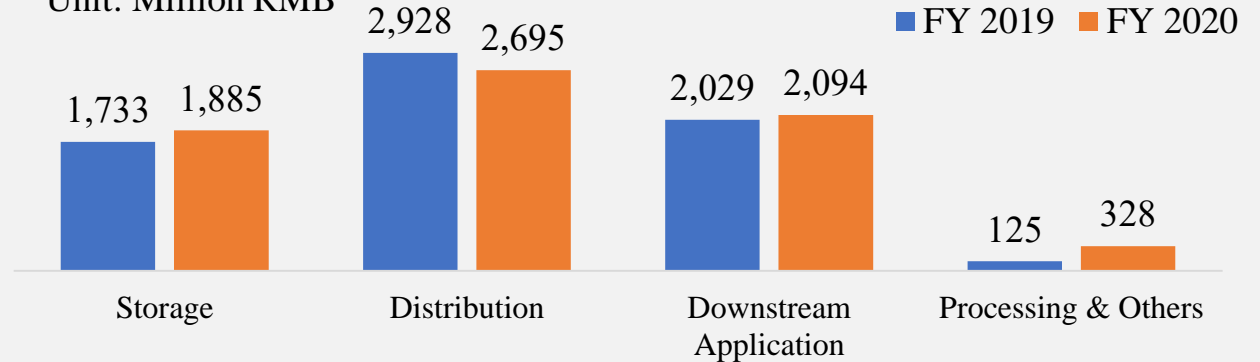


Revenue Breakdown by Type



Revenue Breakdown

Unit: Million RMB

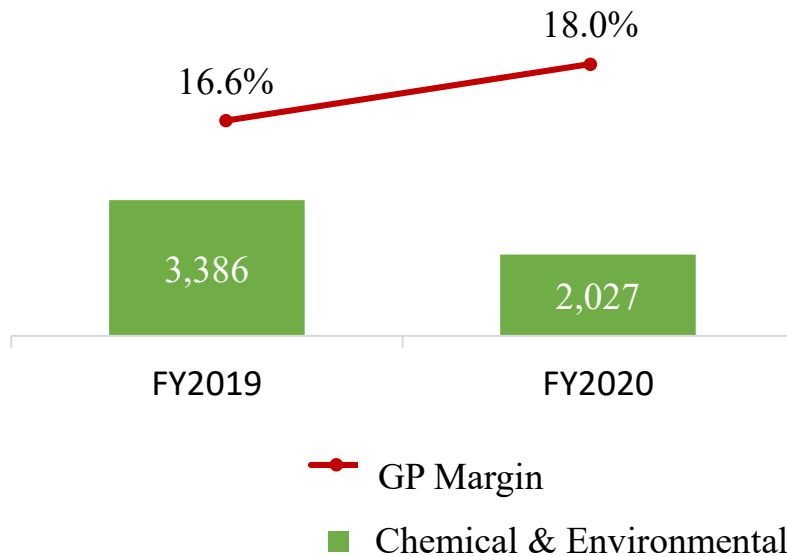


Champion: The market share of LNG trailers, LNG tank containers, LNG storage tanks, industrial gas storage tanks, CNG/LNG refueling stations, and LNG on-vehicle fuel tanks has been increased significantly in 2020. The top three products sold in the segment are cryogenic storage tanks, LNG on-vehicle fuel tanks and LNG trailers.

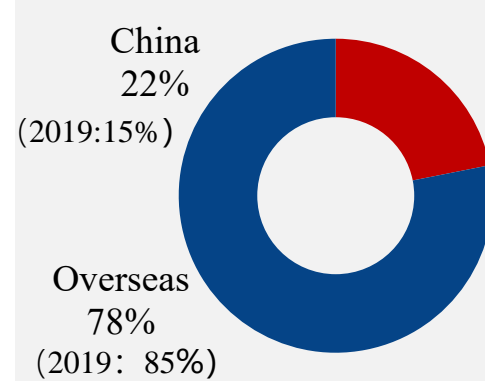
Chemical & Environmental Segment Suffered from Weak Global Chemical Trade

Chemical & Environmental Segment's Revenue dropped by 40.1% YoY

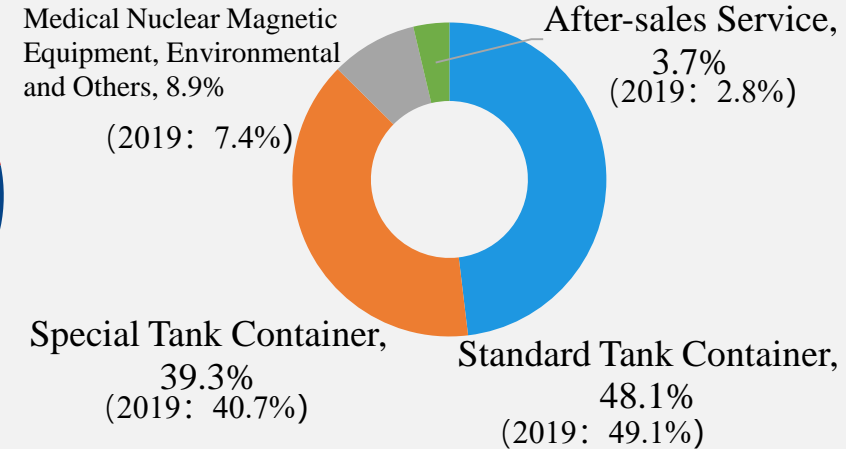
Unit: RMB Million



Revenue Breakdown by Geographic Location



Revenue Breakdown by Type



Chemical & Environmental Segment's CapEx in FY2020: RMB 113 million

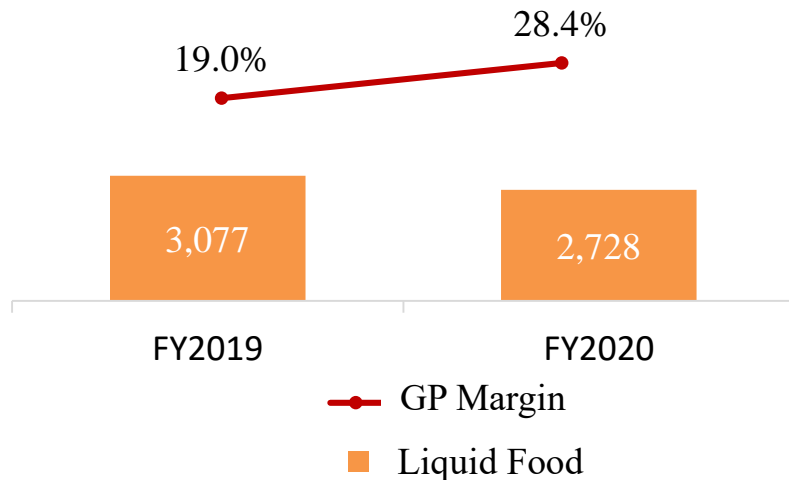
- Announcement on 16 December 2020, the Company is considering the feasibility of a proposed spin-off and separate listing of CIMC Safeway Technologies Co., Ltd by way of separate A-shares Listing.
- The company wishes to gain access to a sound platform for the sustainable development of the tank container business and new exploration in the environmental protection sector.

Champion: Despite weak global demand, the segment solidify its prestigious market position, as “CIMC Tank” has been the bestselling tank container in the global market for 17 years consecutively according to ITCO statistics.

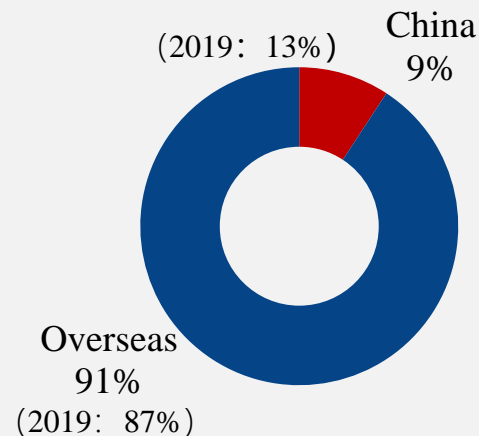
Liquid Food Segment Secured New Orders for Next Year

Liquid Food Segment's Revenue dropped by 11.3% YoY

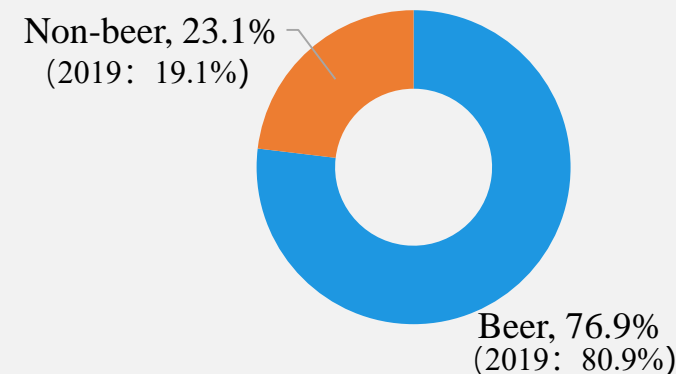
Unit: RMB Million



Revenue Breakdown by Geographic Location



Revenue Breakdown by Type



Liquid Food Segment's CapEx in FY2020:
RMB 73 million

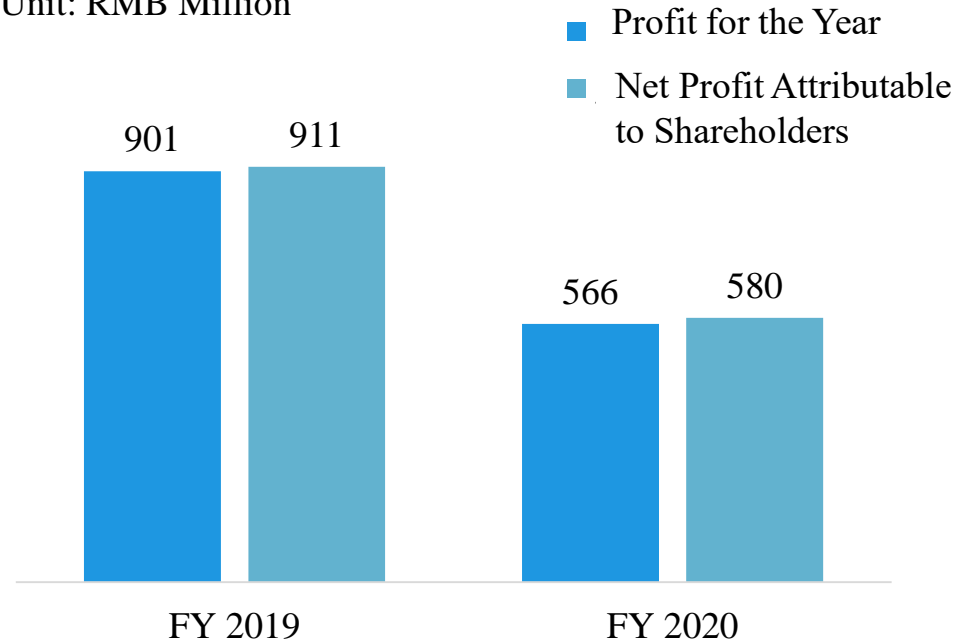
- Completed the acquisition of McMillan, filled in coverage of the entire value chain of the distilled liquor industry.
- Won three significant turn-key brewery projects prior to the fourth quarter of 2020, which worth over USD200 million.
- A project was completed in 2020 ahead of its original schedule after modification in scale. lucrative profit has been recognised from this project after friendly negotiations with customer.

Champion: Industrial beer turnkey project – the world's top three brand

Net Profit Achieved despite a Challenging Market

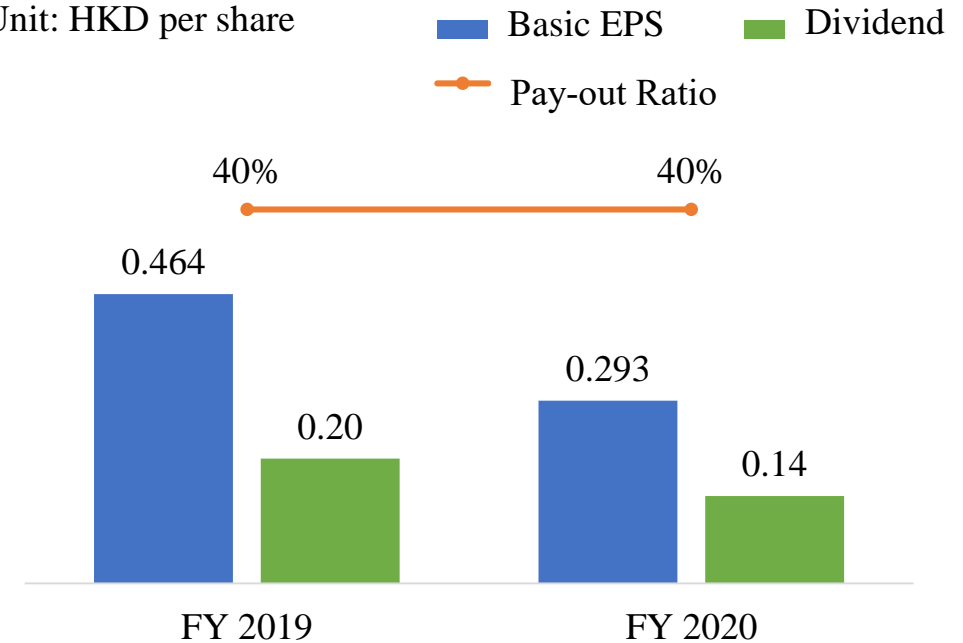
Net Profit Attributable to Shareholders decreased by 36.3% YoY

Unit: RMB Million



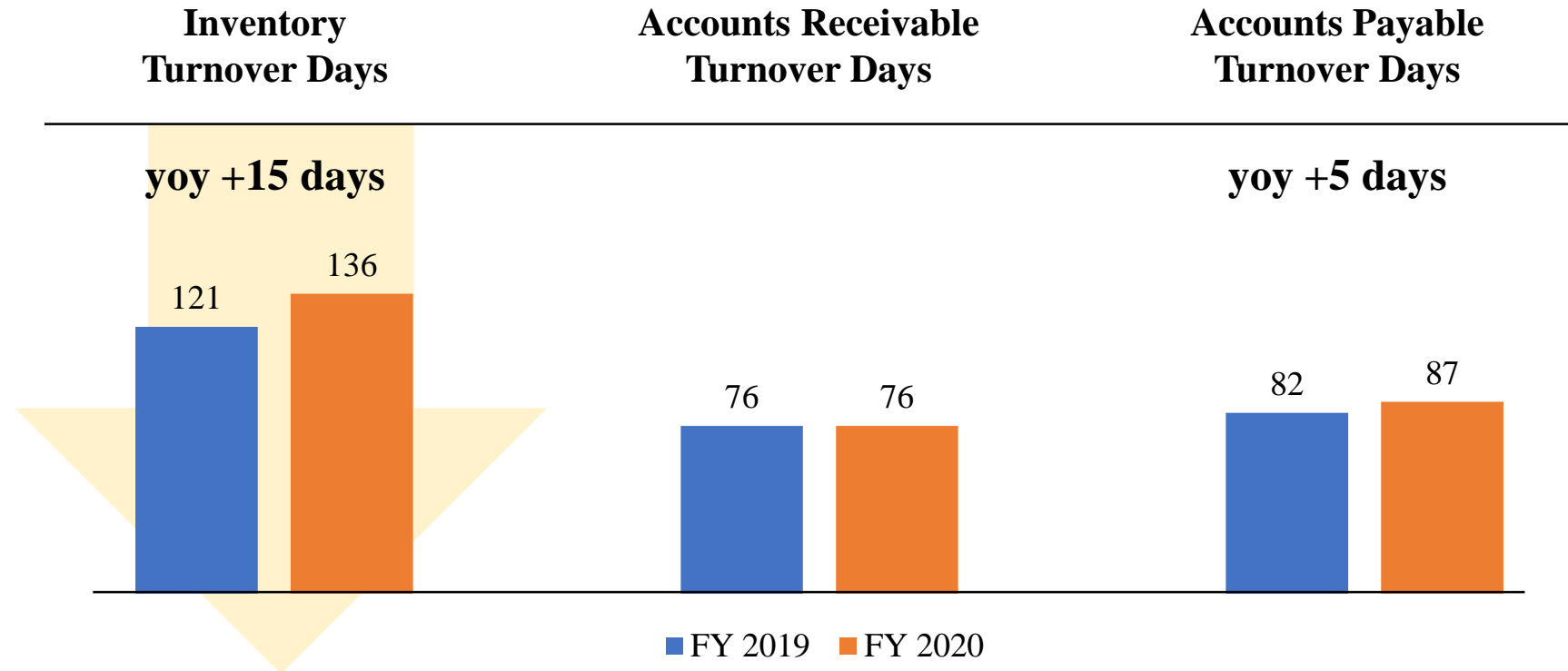
Dividend Pay-out Ratio maintained as high as 40%

Unit: HKD per share



- A final dividend in respect of the year ended 31 December 2020 of HKD0.14 (FY2019: HKD0.20) per share, has been proposed by the board of directors. The pay-out ratio maintained as ~40%, the same level of last year.

Operational Indicators

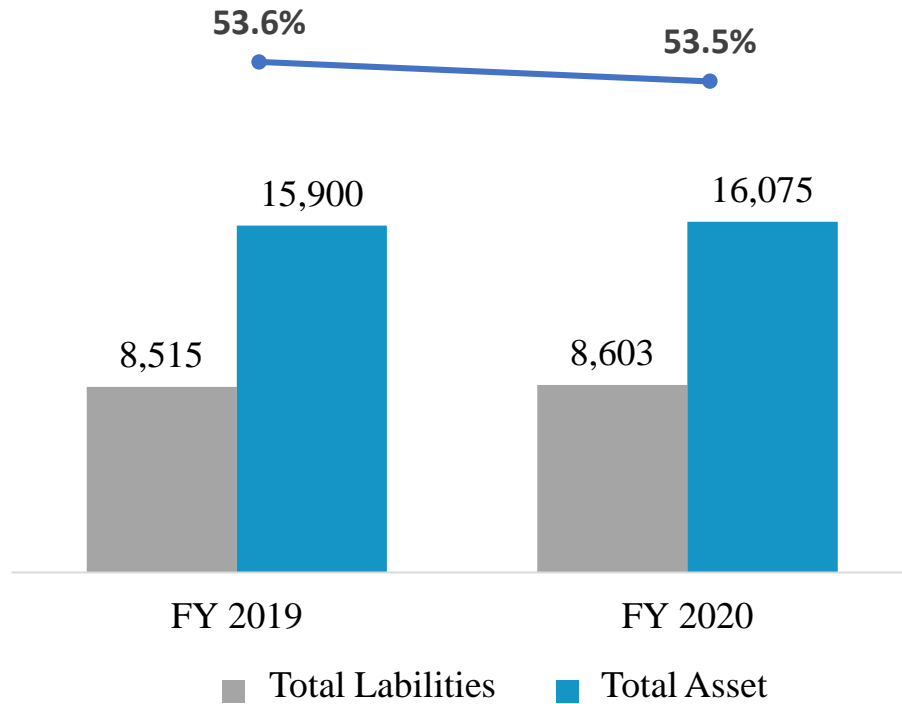


- Affected by COVID-19, most on-site engineering projects were delayed, resulting in an increase in inventory at the end of December. With the resumption of work, it will be gradually digested.
- We've made use of "Inventory Evaluation Template" monthly to analyse and improve the inventory management of subsidiaries one by one.
- Operating cash inflow: ~RMB 960 million.

Stable and Healthy Balance Sheet Structure

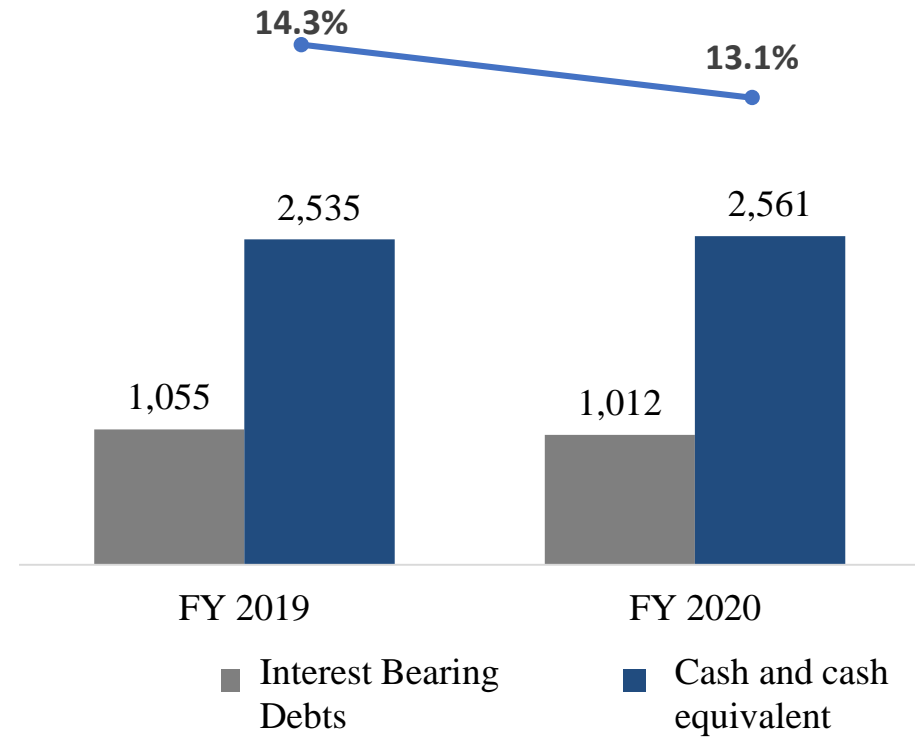
Debt-to-Asset Ratio

Unit: RMB Million



Gearing Ratio

Unit: RMB Million





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Macro & Industry Conditions

Macro Environment

2020 Review

1. Trade tensions and slow down of economic growth.
2. COVID-19 became “new normal” and most countries has been struggling for economic recovery.
3. China becomes first major economy to recover from Covid-19 with increasing infrastructure investment & personal consumption expenditure.

2021 Outlook

1. The global economy is expected to recover from the COVID-19 impacts with widespread vaccination.
2. China's economy continues recovering and the manufacturing industry sees upside opportunities.
3. “14th 5-Year Plan" encourages technological innovation and sustainable development
4. Domestic and international "dual cycle"

Clean Energy

- China aims for 'carbon neutrality by 2060'
- Sound growth in consumption of natural gas in China in 2020
- Sufficient global LNG supply, encourages more LNG consumption by both on-shore vehicles & off-shore vessels.
- Ambitious reform of China’s oil and natural gas industry with the establishment of National Pipe Company.

- Chinese government is expected to continue increasing the proportion of natural gas to primary energy to 15% by 2030, during the coming "14th Five-Year Plan" period
- Vigorously domestic natural gas E&P to ensure national energy security, and unconventional natural gas would constitute an important part.

Chemical Environment

- The overall demand declined significantly, and chemical tank container business was negatively impacted

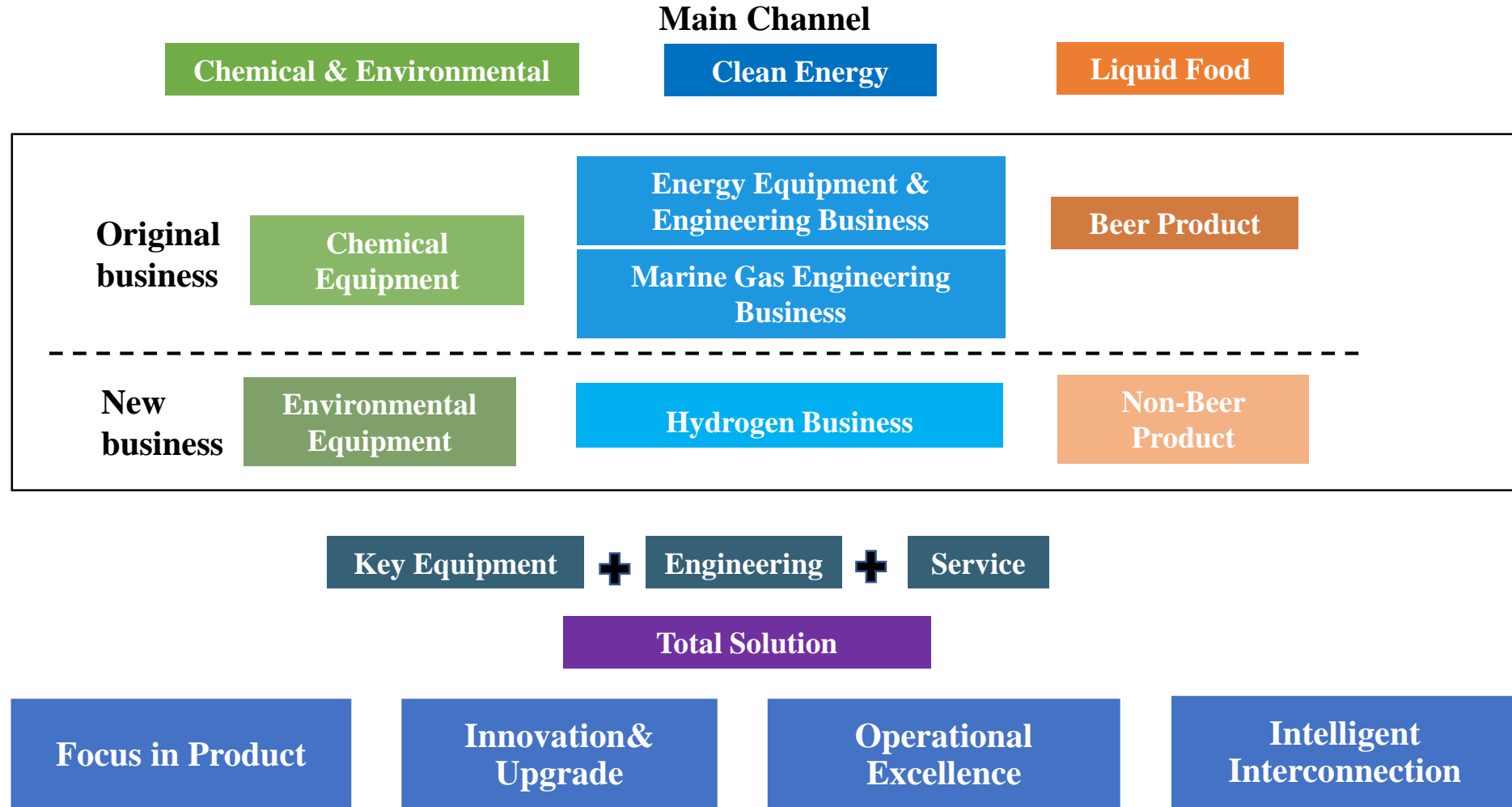
- Market demand of tank container is rebounding with recovering global trade.
- Cutting capacity, improving weak spots and upgrading are the main keynotes of the petrochemical industry in the coming "14th Five-Year Plan" .
- Reallocation and centralization of chemical industry parks and the after-sales service are the new growth drivers.

Liquid Food

- The world's top beer consumption markets (the United States, Brazil, the United Kingdom and Mexico) have been severely affected by the pandemic

- Customers started CAPEX investments for long term again.
- The execution of EPC project in progress.
- Craft beer and Baijiu are the emerging new opportunities.

Strategic Plan of Three Major Segments

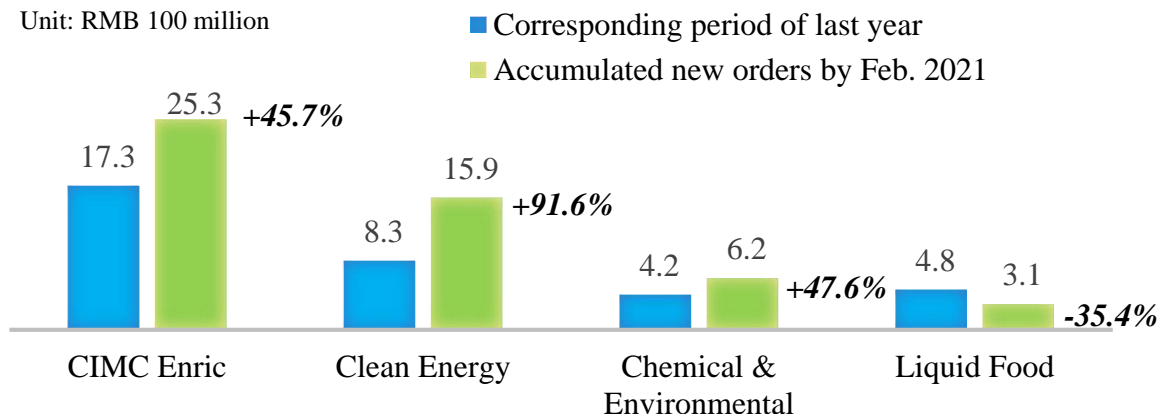


Make energy cleaner, make the environment more sustainable, and make life better!

Increasing Backlog Orders & New Orders

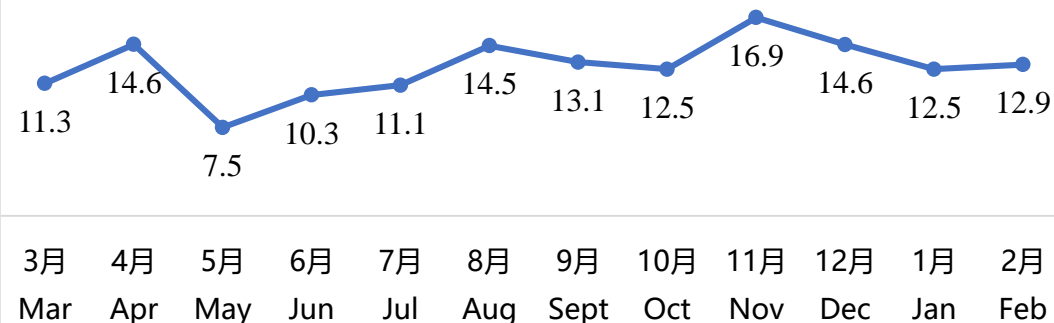
New Orders Signed the Year

Unit: RMB 100 million



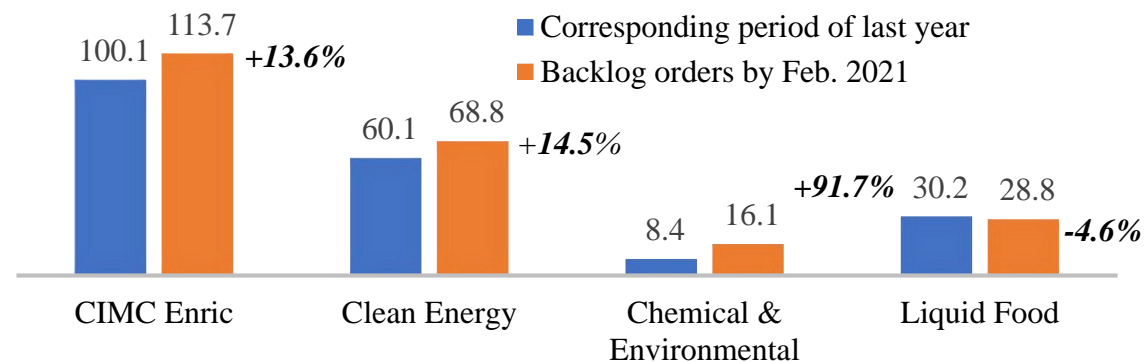
New Orders by Month

Unit: RMB 100 million



Backlog Order

Unit: RMB 100 million



Category of Clean Energy	Backlog order by the end of Feb (in 10,000 RMB)		
	2020	2019	YOY
Storage	315,840	227,103	39%
Distribution	212,906	212,723	0.1%
Downstream Application	79,033	79,597	-0.7%
Processing & Others	80,190	80,859	-0.8%
Clean Energy Total	687,969	600,282	14.5%



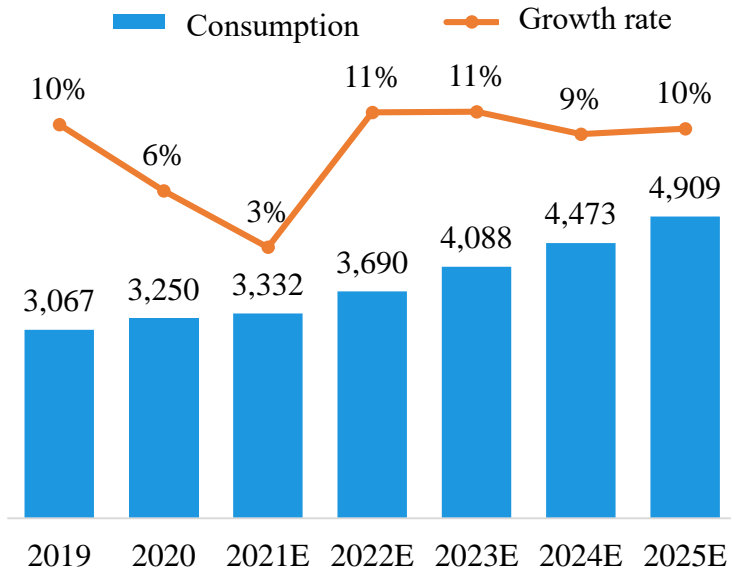
Clean Energy

Natural Gas Remains China's Main Energy Choice to Achieve "Carbon Neutrality"

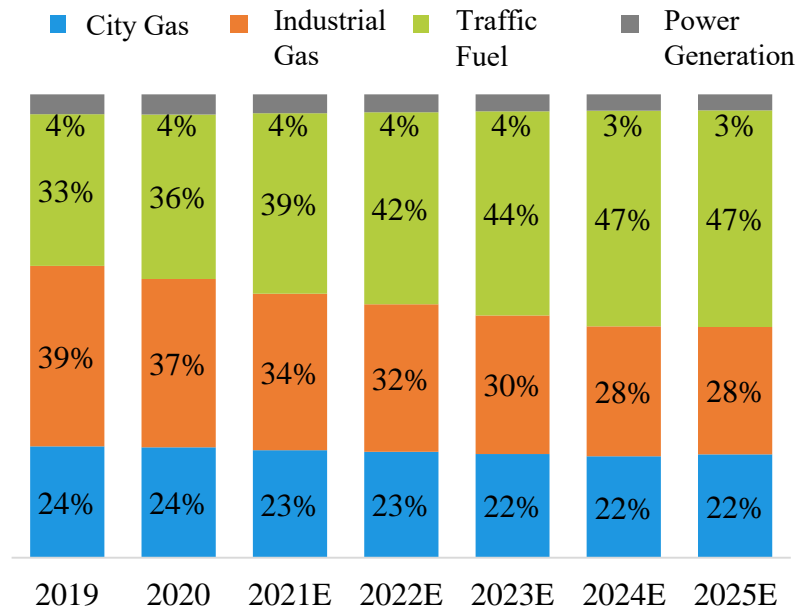
- China's leader has pledged to **reduce carbon emission**, in a bid to achieve carbon neutrality by 2060.
- China's government anticipates boosting the share of natural gas as part of total energy consumption to almost 10% in 2020 and **the ratio is expected to grow to 15% by 2030**.
- Ample LNG supply with stable prices in China has encouraged more coal-to-gas conversion in various regions in China in 2020. **More LNG fuel consumption and upgrade in both offshore and onshore traffic sectors.**
- It has been a critical period of energy transformation in China's natural gas industry. **In the long run, natural gas consumption, especially LNG consumption, will sustain sound growth in China.**

Forecast on China's Natural Gas Consumption

Unit: 100 million m³

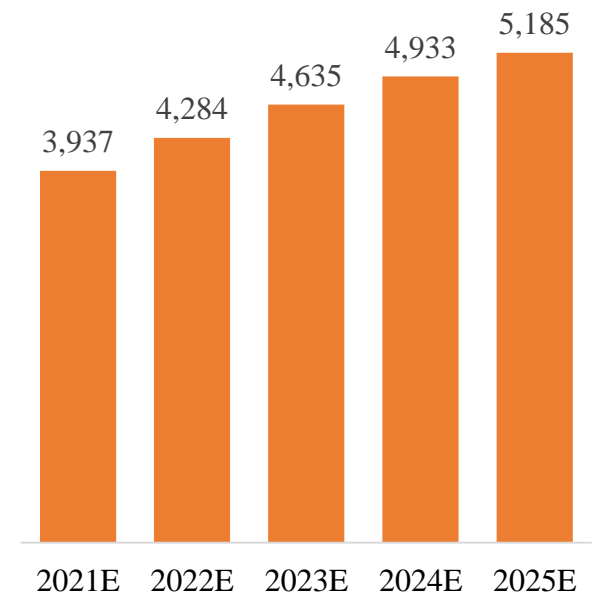


China's Natural Gas Consumption Structure



Forecast on China's LNG Consumption

Unit: 10,000 tons



Offshore & Onshore Clean Energy Industry Chain With A Focus on Natural Gas

- The consumption and application of natural gas continue to develop, benefiting different links in the entire industry chain.
- CIMC Enric's business covers upstream, midstream and downstream of clean energy industrial chain.
- With comprehensive product portfolio, we can benefit from the trend of clean energy transition.

Offshore Clean Energy Industry Chain

Upstream: Process & Treatment	Midstream: Transportation & Storage	Downstream: Application
 <ul style="list-style-type: none"> ▲ Offshore oil and gas processing module 	 <ul style="list-style-type: none"> ▲ Small-to-medium sized liquefied gas carrier 	 <ul style="list-style-type: none"> ▲ LNG bunkering vessel ▲ Marine LNG Fuel Tank / Desulfurization Unit

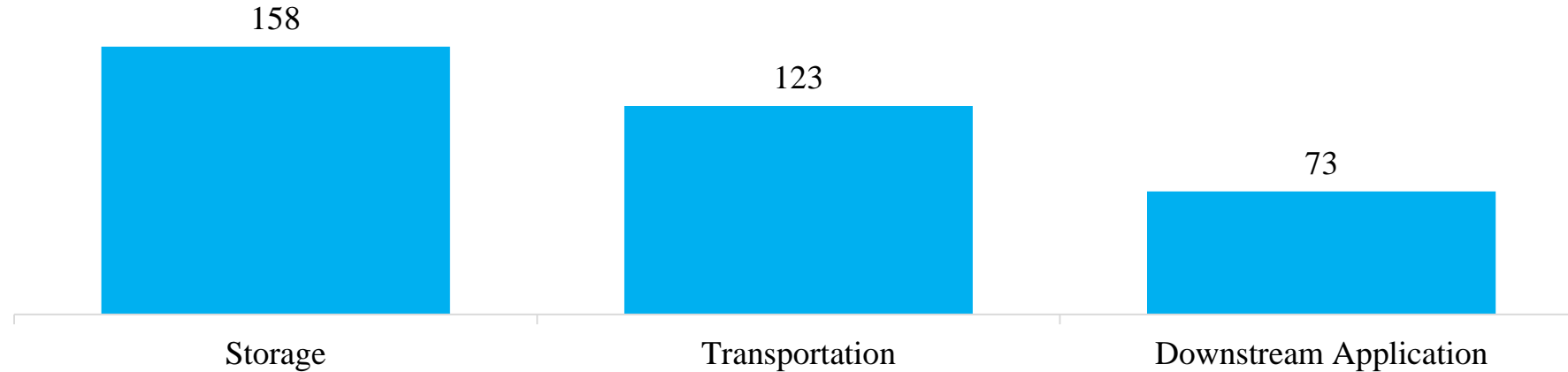
Onshore Clean Energy Industry Chain

Upstream: Process & Treatment	Midstream: Transportation & Storage	Downstream: Application
 <ul style="list-style-type: none"> ▲ Liquefaction plants & Liquefaction module designed for wellhead gas ▲ Unconventional gas treatment and processing 	 <ul style="list-style-type: none"> ▲ Clean energy transportation equipment ▲ LNG peak-shaving storage equipment & engineering ▲ Other clean energy storage equipment & engineering 	 <ul style="list-style-type: none"> ▲ Clean energy equipment for transport fuel usage ▲ Industrial and commercial LNG fuel equipment

Forecast on Market Size of Clean Energy Equipment

Forecast on Market Demand of Clean Energy Equipment in 2021 ~RMB 38.2 Billion

Unit: RMB Hundred Million



In 2021, the market demand of **Clean Energy Equipment** is about ~RMB 38.2 billion

- **Demand of storage equipment ~RMB 15.8 billion**, including storage equipment for peak-shaving projects and LNG receiving terminal & Liquefaction Plant.
- **Demand of transportation equipment ~RMB 12.3 billion**, including offshore equipment ~RMB 9.9 billion (e.g. < small-to –medium sized liquified gas carrier, type C tank for ships).
- **Demand of downstream applications ~RMB 7.3 billion**, with LNG on-vehicle fuel tank as a major part.

LNG Distribution 2020: Rapid Growth Benefiting from Active LNG Trading



- Benefited from the active LNG trading due to cheap LNG imports, the market of **LNG trailer** grew on YoY basis.
- CIMC Enric enjoys the largest market share of LNG trailer in China.

- In 2020, we assisted our customers to land the first long-term LNG import agreement using **LNG tank container in China** as end-to-end intermodal logistic equipment.

- On Jan. 2021, the world's largest 20,000 m³ dual-purpose, LNG supply and bunkering vessel has been successfully delivered to client *Avenir LNG Limited*, which is CIMC Enric's one more signature order in the sector of small-to-medium-sized liquefied gas carriers.

LNG Distribution Outlook: Equipment Demand Expect to Remain Strong

Business Outlook: market demand of RMB 12.4 billion for the transportation equipment in 2021 expected.

- **LNG trailer**

With the implementation of the gas supplier licencing system by the National Pipe Company, large number of new shippers will be joining the market, thereby stimulating sales of LNG trailers.

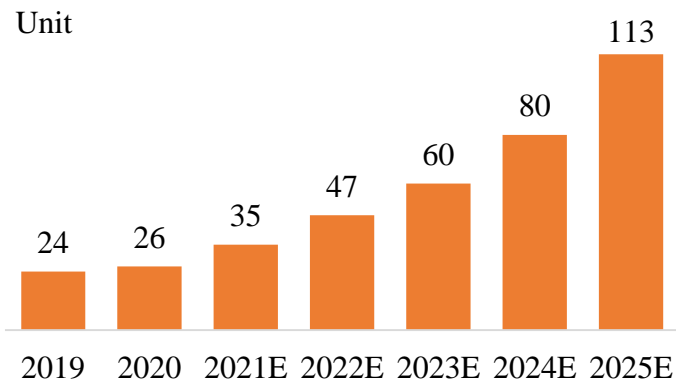
- **LNG tank container**

- The "Requirements for the Safe Transportation of Liquefied Natural Gas Tank Containers Carrying Whole Ships (Trial)" was officially issued during first half, and the standardized supervision of shipping LNG tank containers in large batch through waterway.

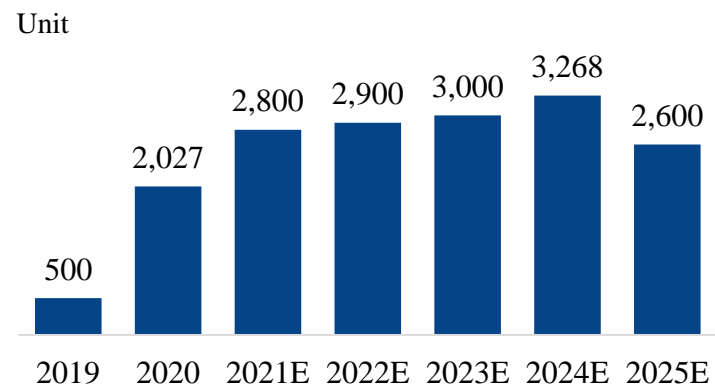
- **Small-to-medium sized liquefied gas carriers**

According to the "National Plan for Distribution of Coastal and Inland Waterway LNG Terminals (2035)", 6 LNG receiving terminals have been planned along inland river, more than 15 units of LNG carriers with capacity of 30,000m³ each are required to facilitate the redistribution of LNG.

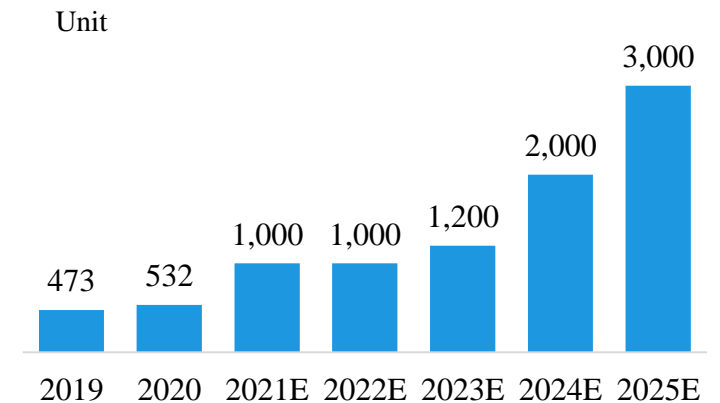
Forecast on the Existing Number of Offshore LNG Refueling Stations in China



Forecast on Incremental LNG trailer in China



Forecast on Incremental LNG Tank Container in China



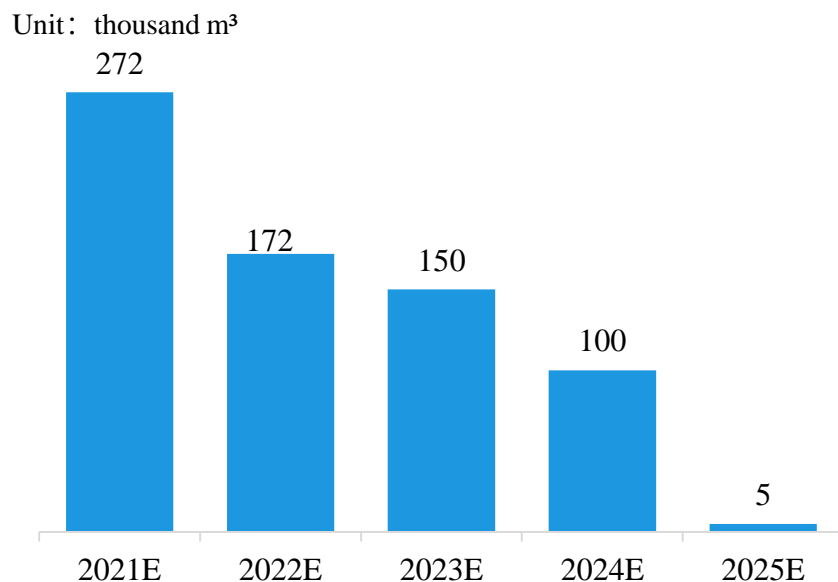
Storage 2020: Strong Peak-shaving Demand Drives Sales

- CIMC Enric has signed 123 storage tank projects since 2018, involving more than 400 storage tanks, **ranking the 1st in the industry.**
- In total **68 LNG storage tanks of 100m³ and above sizes** have been delivered to Guangdong area, helping local city gas companies in building peak-shaving facilities and promoting the coal-to-gas conversion of local pottery and porcelain industries,.
- In total 22 sets of LNG storage tanks of 150m³ and above sizes have been delivered to a client which is the world's leading integrated glass manufacturer. **More natural gas consumption in industrial sector** and benefit us as an equipment manufacturer & solution provider.



Storage Outlook: Peak Shaving Facilities, LNG Receiving Terminals

740 thousand square meter Incremental Demand on Peak-shaving Storage Forecast in China



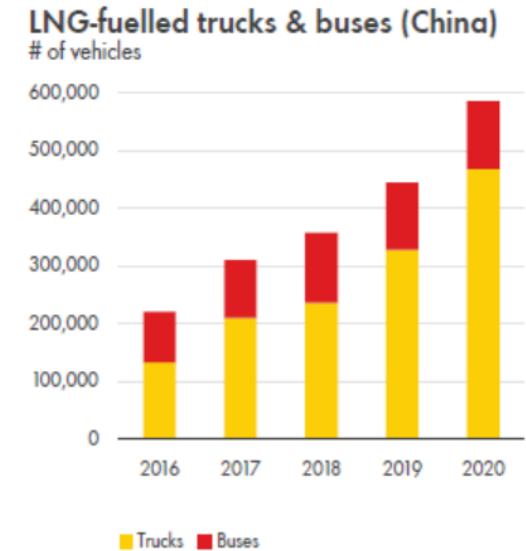
9 LNG receiving terminals scheduled in Year 2021

Location	Owner	Desgined Receiveing Capacity ('000m ³)	Storage Tanks	Signle Tank Capacity ('000m ³)
Wuhu, Anhui	CNOOC, Huainan Mining Industry	150	2	100
Yantai, Shandong	Shandong GCL-Poly Huanya International Energy Company	500	5	200
Chaozhou, Guangdong	Huaying Natural Gas Company	600	3	200
Rudong, Jiangsu	Kunlun Energy, Pacific Oil& Gas,	295	3	200
Wenzhou, Zhejiang	Huafon group co., LTD	100	2	160
Jiangyin, Jiangsu	Jiangsu Jiasheng Gas Company	200	2	180
Jaixing, Zhejang	Shanghai LNG Co., Ltd., Hangzhou Natural Gas Company, Hang Jiaxin Energy	200	2	100
Xiaomen Isalnd Wenzhou	Zhejiang Provincial Energy Group Company Ltd.	300	4	200
Yueyang, Hunan	China Three Gorges Corporation	150	3	50

- 22 LNG receiving terminals on the schedule from 2021 to 2025.
- 9 receiving terminals are scheduled in 2021, involving 26 units of large-scale LNG storage tanks.

Downstream Applications 2020: More LNG Consumption in Traffic Fuel Sector

- **Ample LNG supply and better economies versus oil fuel** encouraged more LNG fuel consumption
- **Traffic as the top LNG consumption sector for the first time:**
 - A total of 13.55 million tons of LNG consumed in traffic fuel sector in 2020, accounts for 37% of the total LNG consumption.
- **Rapid growth of LNG heavy-duty trucks:**
 - National III Emission Standards rolled out in China, driving sales of LNG heavy trucks with new emission standard to hit a record high yoy growth rate.
- **Growth in LNG powered ships :**
 - IMO has officially implemented the tightest limit for sulphur in fuel oil on a global basis with effect from 1 January 2020. The existing number of LNG-powered ships in China is estimated to exceed 300.



The on-vehicle & on-ship fuel tank business

- We are **No.1 supplier of LNG on-vehicle fuel tanks in China** with slightly increase in market share in 2020.
- We have **maintained industry leadership for 5 consecutive years in marine ‘oil to gas’ sector.**
 - Contracted China’s first “oil-gas-electric” hybrid power ship "New Yangtze River 26007“, which fully shows CIMC Enric's most advanced technology for converting oil to gas for domestic inland vessels.

Downstream Applications Outlook: Promising Oil-to-gas Conversion in Traffic Sector

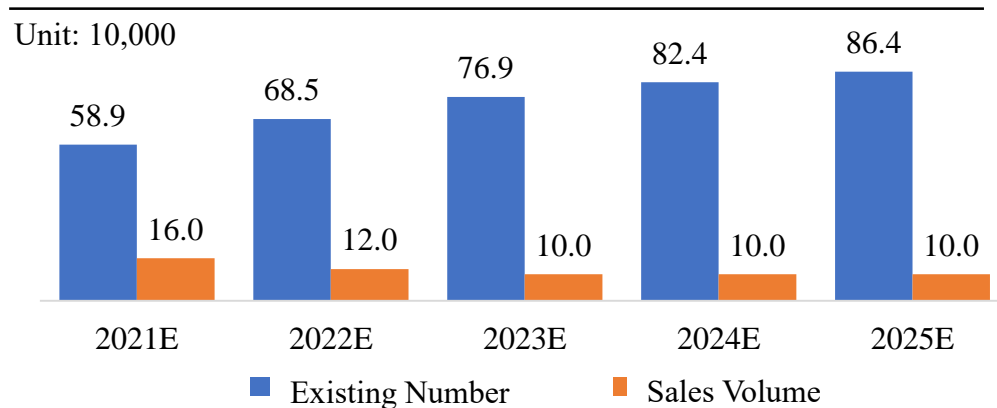
LNG fuelled truck is clean & economic

- **Good Economics:** International oil price is likely to rise in 2021 while there's ample supply of LNG. LNG is expected to be relatively cheaper as an alternative of diesel.
- **Cleaner fuel:** National VI emission standard has been fully applied to all heavy-duty trucks in China since Jan. 2021, and there are around 4.23 million outdated trucks to be eliminated by July 2021.
- **Robust demand:** LNG heavy-duty truck market is expected to remain active, benefiting on-vehicle fuel tank.
- **Enric as the leading supplier:** focus on serving leading OEMs as the top supplier of on-vehicle fuel tank in China

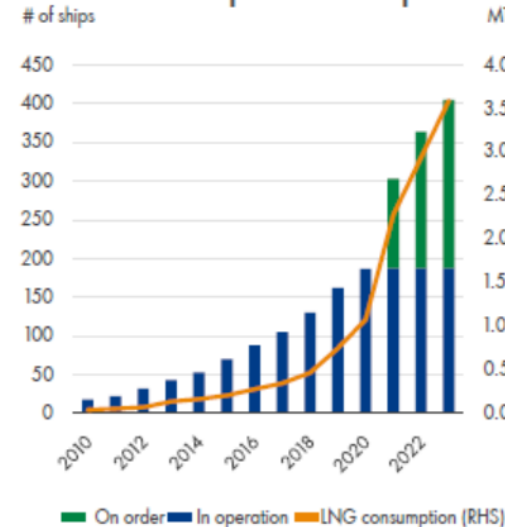
Oil-to-gas conversion in offshore sector globally

- **IMO's tightest limit** for sulphur in fuel oil.
- **More LNG-fuelled vessels required:** according to the "Opinion on Further Deepening the Promotion of the Use of LNG in the Offshore Transport Industry", the LNG consumption ratio should be over 15% for new public service vessels and over 10% for new vessels with direct access to inner waterways and oceans.
- **Government of Guangdong has specific planning in this sector:** refurbishment of 1,500 LNG ships and the construction of 19 LNG refueling stations by 2025 in Guangdong.
- **"Yangtze River for LNG" and "Pearl River for LNG" opportunities in 2021**

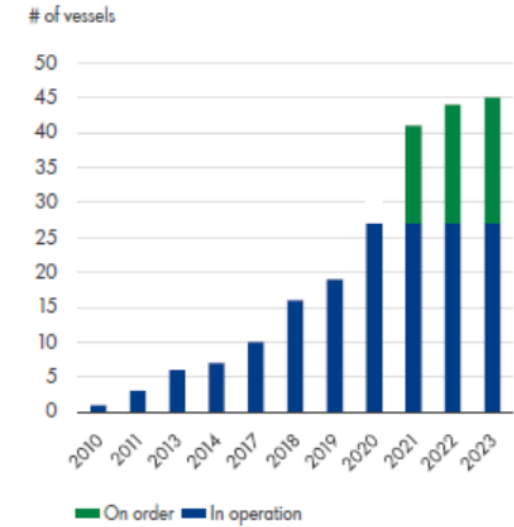
Forecast on the Sales Volume and Existing Number of LNG Fueled Trucks in China



LNG fuelled ships & consumption



LNG bunker vessels



Downstream Applications Outlook: Smart Micro Grid Gasification Solution for Rural China

- **China's "No 1 Document of Central Government" of 2021:** To promote "implementation of clean energy facilities in rural areas in a bid to increase penetration rate of gas in countryside", and it specifically mention that "there should be more reliable storage tank facilities and micro-grid gas supply systems".
- **Enric to provide One stop solution for Micro Grid in rural area:** the solution that compromise of trailer with pump, storage tank, gasification unit, monitoring system can help supply gas to township residents stably and conveniently at low cost.

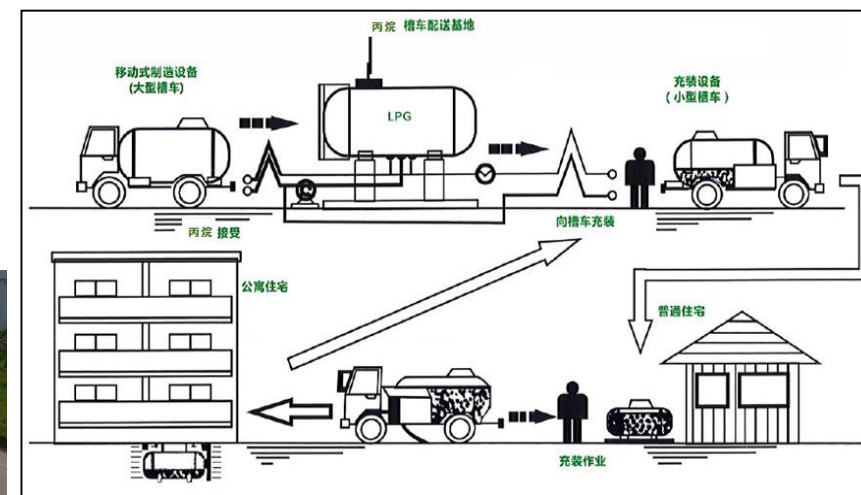


- **New mode of distributed LNG supply**

- Integrated small-sized LNG supply station
- Modalized small-sized LNG supply station
- Gasification station & peak shaving reserve
- Remote monitoring and alarm system

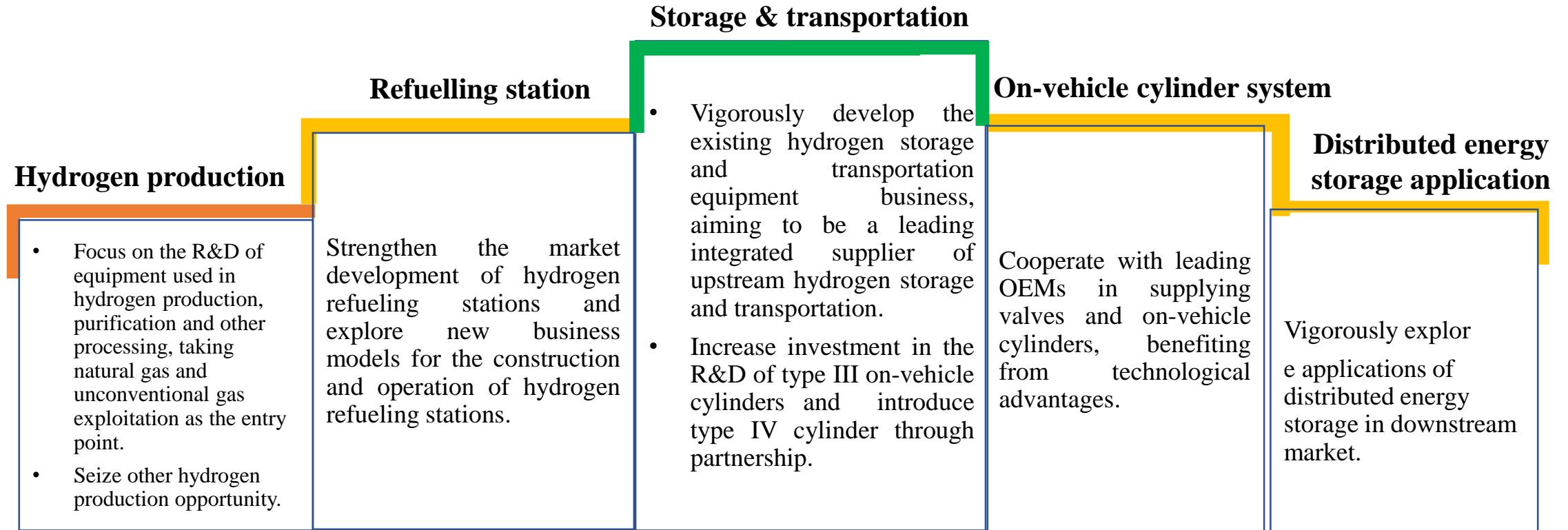
- **LPG "micro grid"—New mode of distributed propane supply**

key storage equipment developed for "LPG micro grid" **meet national standards in China**, i.e. trial production of LPG trailers with pump as well as fixed small-sized LPG storage tank attached thereto.



Hydrogen Storage, Transportation and Refilling

- To build up capability of key hydrogen equipment manufacturing
- To be industry leader,
- To implement the champion product strategy
- To participate in the new mode of cooperative operation.



Industry Policies and Planning in China

Hydrogen defined as energy

In April 2020, hydrogen defined **as an energy source** by "Energy Law of the PRC (Draft)" published by the NEA. **The energy status of hydrogen was solidified in the top-level design.**

FCEV reward incentive policy released

on April 23, 2020 by the Ministry of Finance, the Ministry of Industry and Information Technology, the Ministry of Science and Technology, and NDRC jointly release the **"Hydrogen Incentive policy", using reward instead of subsidy**

The group standard for T4 cylinder implemented

The China Association for Technical Supervision and Information issued **T/CATSI02007-2020 "Carbon Fibre Fully Wrapping Cylinders with Compressed Hydrogen Plastic Liner for Vehicles"** in OCT. 2020, which stipulates the type, parameters, technical requirements, and transportation of T4 cylinders. National standard under developing now.

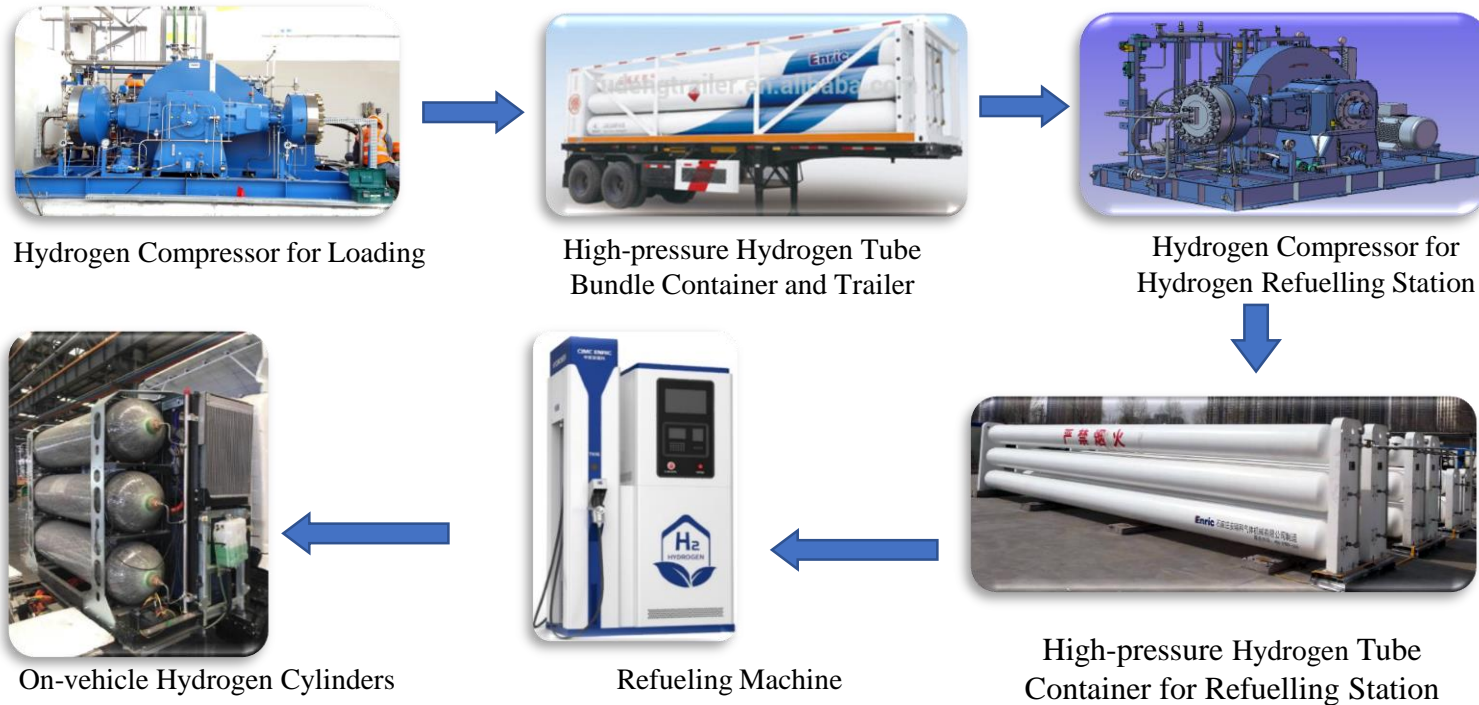
10 provinces and Shanghai 14th "Five-Year Plan" cover H2 development

Including Guangdong, Shanghai, Hebei, Shaanxi, Jilin, Liaoning, Shandong, Guizhou, Guangxi, Inner Mongolia and Gansu). There have **been 7 related policies issued by the central government, and a total of 30 related policies issued by 22 provinces and cities**

China to be the largest global FCEV market

China to be the largest FCEV market with exponential growth over the next decade and beyond.
2035 – planned 1.3 m FCEV and 1,000 hydrogen refuelling stations in China*
2020 - only 7,355 FCEVS and 118 hydrogen refuelling stations in China by the end of 2020.

Hydrogen Business 2020 & 2021



Existing Hydrogen Products

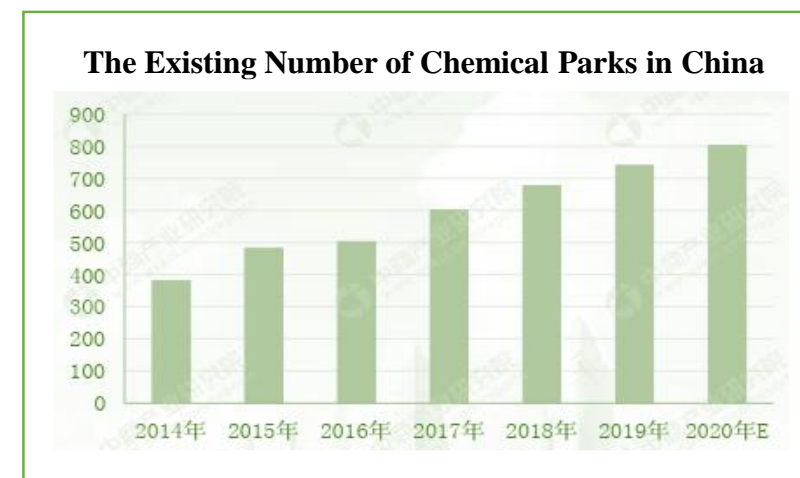
- In 2020, we established the “**Industry Demonstration Base of Hydrogen Equipment in Shijiazhuang, Hebei**”, which has been included in the city hydrogen “14th Five-Year Plan”.
- **Won the bid for the hydrogen refuelling station equipment procurement project** of National Energy Group, which is one of the national key R&D plans to demonstrate the application of green and low-carbon energy in the Beijing Winter Olympic Games.
- **Significant progress made in R&D** of hydrogen energy equipment and we take the lead in China’s market to recognised sound revenue from selling hydrogen storage, transportation and refuelling equipment.
- In March 2021, we formed a new subsidiary company **CIMC Hydrogen Energy Tech** and entered into **Joint Venture agreements with Hexagon** 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.



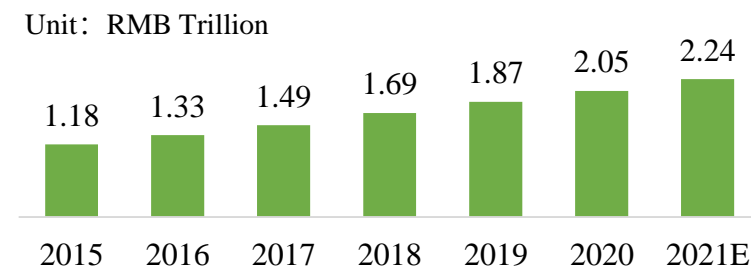
Chemical & Environmental Business

Tank Container Industry Benefit from the Relocation of Chemical Production to Chemical Parks

- **There are more opportunities for tank container business for both equipment sales and after-sales service market. Tank container is much safe and green comparing to other outdated logistic options.**
 - **China's chemical industry is booming.** China had become the world's largest chemical producer: Chemical industry supports economic and social development prominently. There is sustainable demand chemical logistics industry in the new era of "dual circulation" development pattern.
 - **Improving the safety and environmental-friendliness is the focus of chemical industry in China.** Safety concern and environmental pollution have been limiting the further growth of the chemical industry, which must be settled urgently.
 - **After-market services, environmental protection and other new opportunities emerged.** The management on chemical tank containers become more professional, intelligent and standardized. The related industrial environment protection and water treatment is of huge potentials.
- **It is estimated that the market size of China's chemical logistics industry would be RMB 2 trillion in 2020 and RMB 2.24 trillion in 2021.**
 - The CAGR growth of china's chemical logistics industry was nearly 13%.
 - Only 6 Chinese companies get into the list of the world's top 50 chemical companies reported by U.S. C&EN 2020, even though China has been the world's largest chemical producing country.
- **There are huge potential for concentration & growth of chemical industry and related logistic industry in China.**



The Market Size of China's Chemical Logistics Industry



2020 Tank Container Business Review

Tank Container Manufacturing



- **“National Champion Manufacturing Enterprise”** awarded by PRC Ministry of Industry and Technology Information.
- **Global leader in terms of production & sales volume of tank container.**
- **Order to Delivery (OTD) of standard tanks improved**, being leading in the industry now
- China's first tank manufacturer with fully-owned independent intellectual property rights
- **The most complete Product Portfolio available**
- **Smart standard tank production line being upgraded in an orderly manner and the new MES (Production Execution System) successfully launched**, nearly realizing delicacy management and visualized management

After-sales Service



- **Aiming to build a global tank depot network**, offering customers product life-cycle and one-stop services, such as remanufacturing, repair, refurbishment, periodic inspection, cleaning as well as other services:
 - CIMC Jiaxing Burg Depot, the first domestic depot, became profitable in 2020, realizing the deployment in National Petrochemical Park in Jinshan, Shanghai
 - Following the relocation of chemical production to chemical parks in China, actively expand after-sales market domestically
 - CIMC Burg Service (博格) in Europe has been in stable operation for about 8 years, laying a good foundation for our global network
- **Tank container remanufacturing/refurb capacity doubled, OTD reduced by nearly 50%**

Intelligent IoT Platform



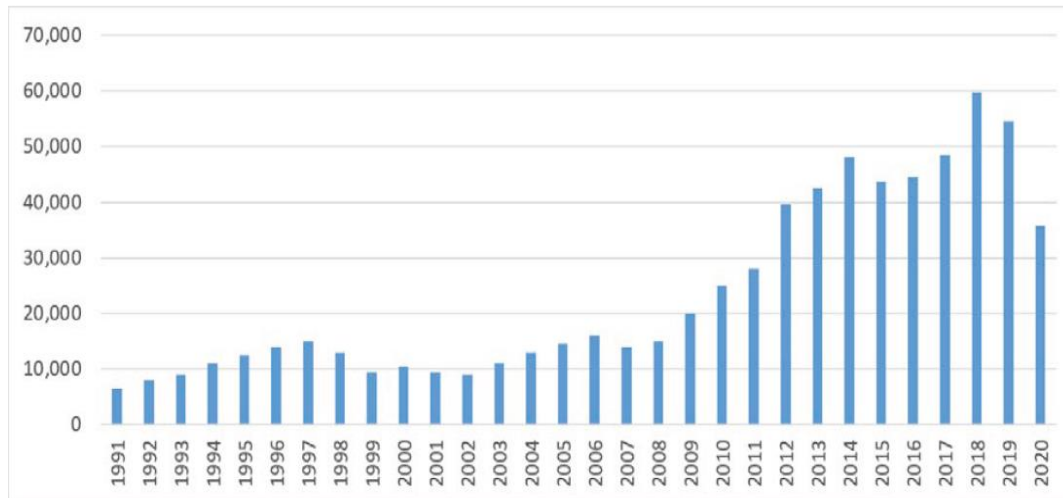
- **Intelligent digital display terminal**
- Integrating display of in-tank temperature, pressure, liquid level...
 - 4G/3G/2G data transfer
 - GPS positioning and tracking
- Smart Flange
- **Electric heating & colling system**

We strive to provide the most comprehensive product portfolio and one stop solution that covering whole life cycle of tank container to client, in a bid to become industry leading technology-based enterprise.

- Affected by COVID-19, the overall demand for the tank container has dropped significantly, and the market competition has further deteriorated. But CIMC Enric has maintained its leading position in the industry, 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.

Global Tank Container Market is Expected to Grow in a Longer Term

Global Tank Container Production (1990-2020)



Source: International Tank Container Organization 2020 Report

- As global economic recovery slows under the spread of the pandemic, the normal operation of global trade has been affected, and the global chemical industry suffered a setback.
- Observed by the newly published ITCO 2021 survey, there has been obvious recovery of new orders since the end of 2020, indicating overall improvement in 2021.

- As a safe, reliable, economical and environmentally friendly logistics method, tank containers are welcomed by the global chemical logistics industry. Data over the past 25 years show that **the tank container industry has been growing in longer term but being cyclical in a shorter period.**
- The tank container market is expected to expand with a **relatively flat but stable growth rate** for now.
- In particular, **the localization trend of semiconductor industry in China has brought historical opportunities for the growth of chemical logistics equipment.**
 - A new *workshop for manufacturing electronic-grade chemical tank containers was put into operation in full load* in 1H2020, targeting the high-end market. We are now one of the three high-purity specialty electronic gas equipment manufacturers in the world.
- In respond to China's dual circulation economic strategy, we are also **actively exploring the domestic market opportunities.**

Environmental Protection Business



Environmental Protection Equipment

- ✓ Currently in the early stages of expansion, 6 patents applied in 2020.
- ✓ The model of cooperation between education & research institutions and manufacturer was established initially.
- ✓ 3rd grade contracting qualification for environmental engineering projects obtained.

Hazardous Waste Treatment

- ✓ First joint-project of Guizhou Yinke (贵州银科) --Hazardous waste business license obtained in December 2019 and trial operation started in mid-2020.

General Solid Waste Business

- ✓ CIMC Eco Building (连云港绿建) has completed the production line of “inorganic artificial stone” and put into operation in 2020
- ✓ 7 utility model patents obtained

Technology
Introduction

Specialized
Operations

Synergies &
Resource Integration

Innovation &
Entrepreneurship

The 14th 5-Year Plan Brought Opportunities for Environmental Protection Industry

Outlook of Environmental Protection Industry

Energy conservation & environmental protection industry are emerging sectors of strategic importance in stimulating economic growth as well as addressing environmental issues, which would be the focus of upcoming “14th Five-Year plan”. The industry is expected to be further expanded in scale and will also enter the fast lane of high-quality development.

Trend 1

- Speeding up to low-carbon emission and optimizing energy structure.
- China’s leader has pledged to reduce carbon emission, in a bid to hit peak emissions before 2030 and to achieve carbon neutrality by 2060

Trend 2

- Health and safety in the manufacturing sector is being emphasised to further promote the set-up of green factories and green industrial parks.

Trend 3

- Green manufacturing accelerates collaborative integration, and new business opportunities continue to emerge.
- With continuous innovation of the IOT, cloud computing, remote sensing, geographic information system (GIS), data mining and artificial intelligence, as well as the continuous deepening of the collaborative integration between industries, new sector of value-added service such as smart energy-saving and environmental protection will continue to emerge.

Trend 4

- A reform in the market structure of environmental protection business.
- In the upcoming “14th Five-Year plan”, the environmental protection industry will be further professionalized and segmented. Niche market such as hazardous waste treatment, environmental restoration and environmental monitoring will be accelerated.



Liquid Food

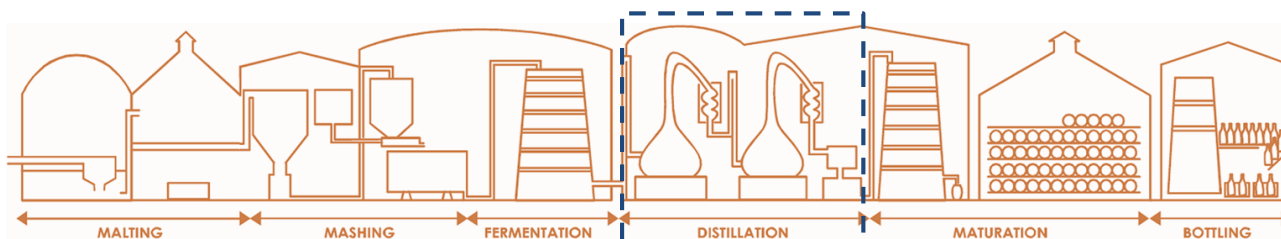
Business Review of Liquid Food Segment in 2020

Pandemic brought negative impact

- The beer industry especially craft beer industry was affected by the pandemic in 2020, some of our customers had been in business suspension and certain overseas projects were delayed to various extents as a result.
- It is expected that **related businesses will gradually resume within two years** with global vaccination schedule.
- Nevertheless, **a project in Mexico was completed in 2020 ahead of its original schedule after modification in scale during the year**, due to external force majeure. Sound profit has been recognised after friendly negotiations with customer, who has awarded us with new orders in other suitable locations.
- **The segment has won three significant turn-key brewery projects** prior to the fourth quarter of 2020 which **exceeds USD200 million** in total.

Diversification continues

- The acquisition of 100% equity interest in UK company McMillan, a manufacturer of copper distilling and brewing equipment, has provided us with **coverage of the entire value chain of the distilled liquor industry**.
- New orders included one Brewery expansion project and two projects for construction and implementation of hard seltzer plants.



Horizontal & Vertical Strategic Development



Horizontal expansion: Beverage market other than beer and other market such as juice, hard seltzer, baijiu and dairy product.

Vertical expansion: Develop whole brewery construction capability

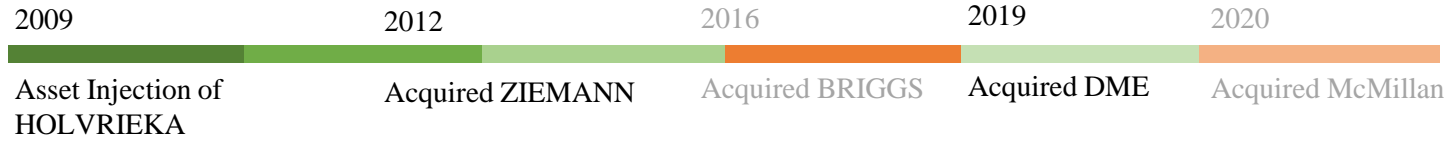
Malting 制麦
Saccharification 糖化
Fermentation 发酵
Bright Beer Tank 清酒罐

Bottling line
包装线

- **Baijiu business oriented:** Focusing on the needs of top baijiu customers, we are entering into baijiu equipment and engineering market which worth 100 billion RMB, and we target to reach 30% of the market within 5 years.
- **China market oriented:** Following the trend of consumption upgrade, we are actively discovering the Chinese market opportunities especially craft beer and spirits.
- **Other non-beer sector:** Cultivating capabilities of turnkey project and expand other non-beer businesses such as juice, dairy, and pharmaceuticals.

- Industries other than beer, such as pharmaceuticals, dairy products and fruit juices have a huge market space and enjoys good profitability.
- Currently, around 78% of the Segment's revenue is from the beer industry, and the rest 22% from the non-beer industry.

Realise the Market Potential of Craft Beer Driven by Consumption Upgrading



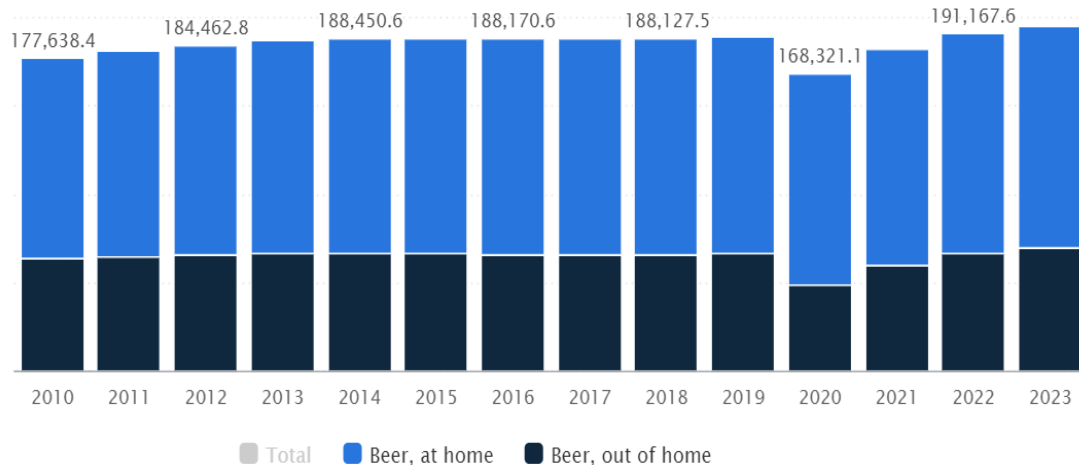
Founded in 1947, Holvrieka is the leader in the R&D, manufacturing and installation of stainless steel tanks.

ZIEMANN, a German brand with 160 years of history, is the leading supplier of global brewery turnkey engineering and saccharification transformation technology. It has set many top records in the beer brewing area around the world.

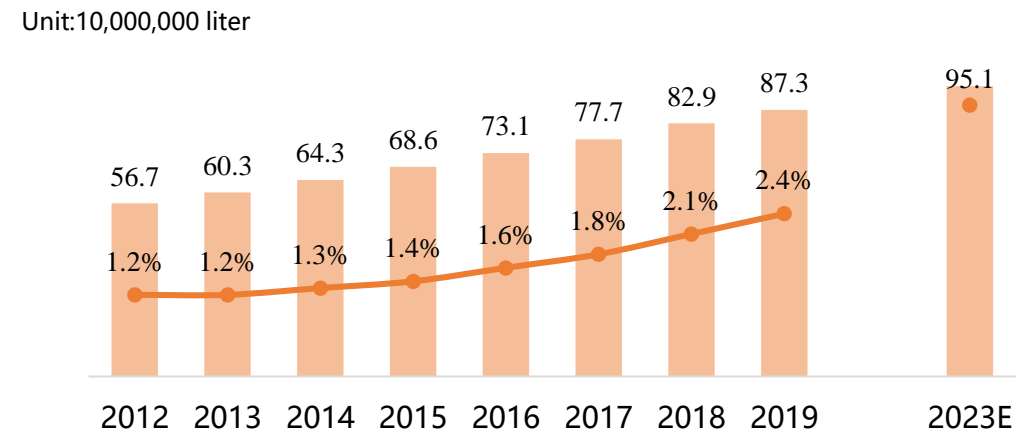
DME is a leader in craft beer engineering design and equipment manufacturing in North America. It has accumulated strong technical capital in craft beer, distillation, fermentation and pharmaceutical industries.

- The industrial beer sector is slowing down and into its mature cycle while **premium craft beer is emerging rapidly.**
- we remain optimistic about the craft beer segment in long term and committed to provide one-stop solutions.
- China's craft beer consumption continues to grow, and **the proportion of China's craft beer in beer consumption continues to expand.**

Global beer consumption expected to reach 195.5 billion liters in 2023



Craft beer consumption and its proportion to beer consumption in China



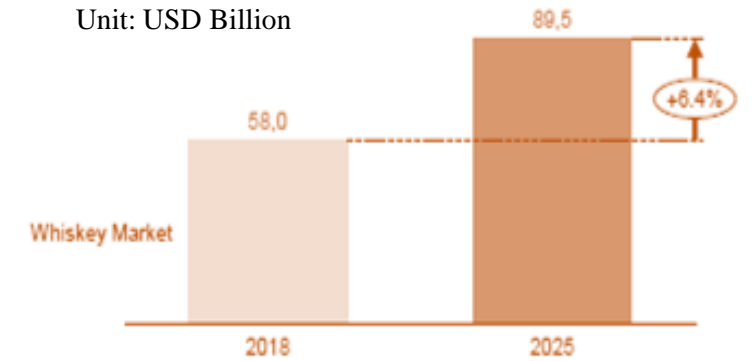
Become No. 1 Supplier Worldwide in the Distilled Spirits Industry



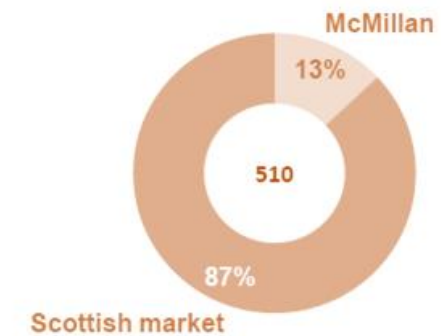
Briggs, with 280 years of history, mainly operates in the engineering design and manufacturing of the distillation system equipment for Scotch whisky and other spirits. The acquisition enables the division expanding from the leading beer brewing to spirits distillation and biomedicine.

McMillan has been a significant force in UK and worldwide supply of copper distilling and stainless steel process equipment since 1867. The acquisition enables the liquid food segment to fully cover the supply chain of distilled spirits equipment.

Estimated Market Size of Global Whisky



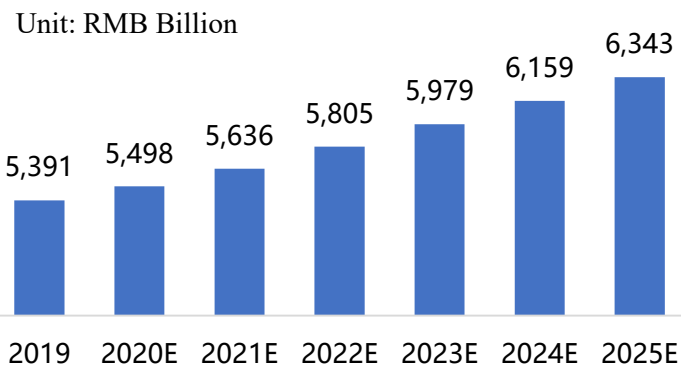
McMillan Market Share



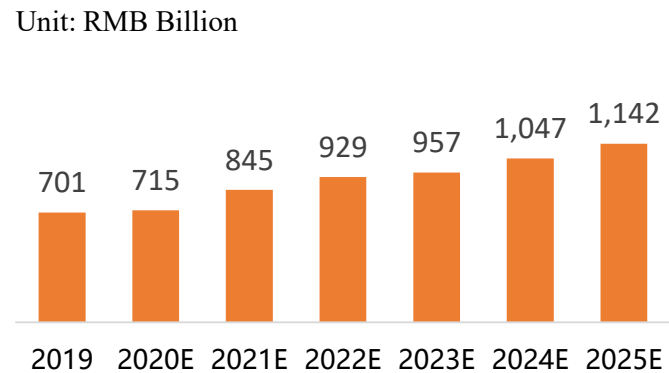
- **Scotch Whiskey** is 22% of the global market.
- Across 130 Scotch Whisky Distilleries
- Estimated >510 Copper Pot Stills each with a Copper condenser
- 75 stills in Scotland have been worked on or built by McMillan, including replacement still heads, shoulders and pots.

- **Chinese Baijiu** industry is gradually transforming to mechanical and intelligent production to reduce cost and increase efficiency due to fierce competition.
- The market size of China's liquor industry is estimated to reach 634.3 billion RMB and **the equipment investment scale would reach 114.2 billion RMB by 2025.**

Chinese Baijiu Market Forecast



Chinese Baijiu Equipment Market Forecast





问答环节

Q&A

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