

[For Immediate Release]



(stock code: 3899)

CIMC Enric Announces 2019 Interim Results

Revenue up 16.5% and Core Net Profit surged 32.5%

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2019 RMB'000	2018 RMB'000	
Revenue	6,584,418	5,649,719	16.5%
Profit from operations	505,899	434,256	16.5%
Profit for the period	387,433	314,647	23.1%
Profit attributable to shareholders	382,879	308,353	24.2%
Core Net Profit *	411,559	311,431	32.5%
Earnings per share	RMB	RMB	
– Basic	0.196	0.159	23.3%
– Diluted	0.193	0.157	22.9%

* Profit attributable to shareholders add back share incentive plan expenses

(22 August 2019 – Hong Kong) - CIMC Enric Holdings Limited (“CIMC Enric” together with its subsidiaries “the Group”, SEHK stock code: 3899), today announces its unaudited interim results for the year ended 30 June 2019.

Chairman and Executive Director of CIMC Enric Mr. Gao Xiang commented, “The Group once again delivered excellent interim results with outstanding performance in various businesses. As a result, the revenue for 20191H rose by 16.5% to RMB 6,584,418,000 (20181H: RMB 5,649,719,000).”

OPERATIONAL PERFORMANCE

Profit attributable to shareholders increased 24.2% to RMB 382,879,000 (20181H: RMB 308,353,000). Basic earnings per share and diluted earnings per share were RMB 0.196 (20181H: RMB 0.159) and RMB 0.193 and (20181H: RMB 0.157) respectively. Excluding the impact of share incentive plan expenses, net core profit for the period surged 32.5% to RMB 412,000,000 (20181H:

RMB 311,000,000).

The clean energy segment's revenue rose by 24.0% to RMB 3,120,071,000 (20181H: RMB 2,516,134,000). This was mainly due to the rise in turnover of application equipment such as on-vehicle LNG fuel tanks, on-board LNG fuel tanks for vessels and CNG refueling stations. The segment remains the top grossing segment and accounted for 47.4% (20181H: 44.5%) of the Group's total revenue.

The chemical and environmental segment's revenue increased by 13.7% to RMB 1,932,867,000 (20181H: RMB1,699,997,000), mainly because of an increase in volume of tank containers and the appreciation of USD. The segment accounted for 29.4% of the Group's total revenue (20181H: 30.1%).

The liquid food segment's revenue posted a growth of 6.9% to RMB 1,507,136,000 during the period (20181H: 1,410,177,000) due to the increase in order intake from previous year and partly due to the acquisition of DME business. The segment accounted for 22.9% of the Group's total revenue (20181H: 25.0%).

Prospects

Clean Energy Segment

Natural gas is a critical start point for effectively controlling atmospheric haze and promoting the development of China's energy production and consumption revolution. Pursuant to "13th Five-Year Plans for the Development of Natural Gas" (《天然氣發展「十三五」規劃》) and "Opinion on Expediting the Use of Natural Gas" (《加快推進天然氣利用的意見》), natural gas will be gradually developed as a major clean renewable energy source in China.

According to the data from National Development and Reform Commission (NDRC), growth in China's natural gas consumption remained steady in the first half of 2019, with apparent natural gas consumption amounted to 149.3 billion cubic metres, representing a year-on-year growth of 10.8%. In order to ensure stable energy supply during peak seasons and improve flexibility, China will further strengthen its energy reserve and improve construction of infrastructures for storage and transportation. In addition, according to "Notice Concerning Energy Peak-Shaving in Summer 2019" (《關於做好2019年能源迎峰度夏工作的通知》) announced by NDRC on 25 June 2019, NDRC has officially recognised LNG tanks as gas storage peak-shaving facilities.

In view of International Maritime Organization (IMO)'s environmental policy will be implemented in 2020, an increasing number of vessels use LNG as clean energy to fulfil the emission requirement. Therefore, there is a positive market demand for LNG bunkering vessels, LNG carriers, modification of LNG powered ships, marine fuel tanks and gas supply system. Driven by the positive factors above, we are of the view that the Group's clean energy segment will benefit as a whole and maintain stable

and rapid development in a long run.

Focusing on the future, in order to seize opportunities arising from the growing trend of low-carbon economy and accelerated pace of clean energy application around the world, the segment will further integrate its overseas energy business and commit greater resources to the clean energy sector, such as marine gas storage and transportation, LNG powered ships, marine fuel tanks gas supply system, intelligent products and after-sales services, electronic gas containers, hydrogen energy exploration and utilisation. The segment also considers cooperation with leading companies in the industry to gain new growth opportunities.

Under the support of national policy and the external factors of the growing trend of low-carbon economy around the world, the clear energy segment will have potential growth in the future.

Chemical and Environmental Segment

In the past few years, global leasing companies have invested heavily in chemical tank containers, resulting in high demands for the product. There is an organic growth and replacement growth in the demand of tanks. In the long run, with the gradual stabilization of global economy and the development of emerging markets, the global chemical industry is expected to sustain a stable growth over the longer term. Moreover, as the number of new chemicals and derivatives continue to emerge in line with developments in the chemical industry, the market for special tank containers is expected to have a significant growth.

Currently, the markets of developed countries in Europe and the USA have completed the transition to a stage of stable growth, while the demand for tank containers in emerging markets will experience gradual growth due to the replacement and upgrade of traditional transportation modes for local chemical sectors, as well as high concern for safe, efficient and eco-friendly transportation of hazardous goods. These will drive the sustained growth of the global tank container market. In conclusion, the green logistics mode with safer, more economical, more environmental friendly and smarter applications will become the new market trend.

Despite the challenges driven from Sino-US trade frictions, in general tank containers is not listed by US. Gov, as the target product subject to additional tariff and it remains as zero tariff so far.

In terms of future plans and strategies, the Group will continue to enhance R&D and market development. On top of cementing our leading position in the market for standard tank containers, we will endeavour to develop special tank containers. Through the creation of a mutually beneficial, efficient and high-quality supply chain, development of partnerships with customers on all fronts throughout the entire service cycle, comprehensive upgrades in manufacturing capabilities and other initiatives, we will further strengthen our core competitiveness in the tank container business and maintain our leading position in the industry.

Liquid Food Segment

Through the renowned brands of “Ziemann Holvrieka”, “Briggs” and “DME” the Group’s Liquid food segment 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.

Integration of Briggs has proven to be successful, already resulting in projects with an extended scope in the distilling and pharmaceutical markets of North and South Americas as well as China. The segment will continue to actively explore business development in these markets in the future, striving to generate more opportunities for revenue and profit growth. In addition, the purchase of the selected assets of the DME Group on 5 March 2019 strengthens the segment's position in supplying the craft beer industry.

In the future, the liquid food segment will expand globally and diversify to equipment and project engineering for the manufacturing of food items other than beer, following a two-dimensional approach covering vertically beer production and horizontally other liquid food businesses, leveraging its core technologies and strengths in EPC contracting. Also, the liquid food segment constantly reviews and develops its strategy, to gain opportunities in which it can excel and enhance its business position.

Mr. Gao Xiang concluded, "The satisfactory results of CIMC Enric didn't come easy, we sincerely thank our shareholders, customers, suppliers and business partners for their longstanding trust and support. We believe CIMC Enric will have tremendous growth opportunities in the clean energy, chemical and environmental and liquid food segments in the second half of 2019. Even though 2019 is a year full of challenges, the Group will constantly keep its leading business position. The Group will seize opportunities in the market and deliver outstanding results for shareholders."

About CIMC Enric Holdings Limited

CIMC ENRIC Holdings Limited is engaged in the design, development, manufacturing, engineering and sales, as well as provision of technical maintenance services for, a wide range of transportation, storage and processing equipment used in the clean energy, chemical & environmental, liquid food industries. The company has set up a comprehensive marketing network with global coverage. After nearly ten years of steady development, the company is now world's No. 1 player in both production and sales of ISO liquid tanks as well as high pressure gas storage and transportation equipments, and China's No. 1 player in the business scale of cryogenic facilities, without disregarding the production and sales volumes of CNG, LNG and LPG energy storage and transportation equipments. For further information, please visit: <http://www.enricgroup.com/en/>

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