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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 2023

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2023	2022	
	(unaudited)	*(unaudited)*	Change
Revenue *(RMB'000)*	**10,756,489**	8,948,693	20.2%
Net profit *(RMB'000)*	**570,032**	453,619	25.7%
Profit attributable to shareholders *(RMB'000)*	**568,673**	439,315	29.4%
Core profit* *(RMB'000)*	**625,944**	531,831	17.7%
Basic earnings per share *(RMB)*	**0.283**	0.219	29.2%
Gross profit margin	**16.5%**	15.9%	+0.6 ppt

* Core profit – Profit for the six months ended 30 June but stripping out amortisation of share base incentive scheme expense and convertible bonds related finance expenses

The Board of Directors of CIMC Enric Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") announces the unaudited financial results of the Group for the six months ended 30 June 2023 together with the comparative figures for the corresponding period in 2022.

The interim financial results are unaudited but have been reviewed by the Company's independent auditor, PricewaterhouseCoopers, and the audit committee of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2023 – unaudited

	Note	Six months ended 30 June 2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Revenue	3&4	**10,756,489**	8,948,693
Cost of sales		**(8,985,323)**	(7,525,575)
Gross profit		**1,771,166**	1,423,118
Other income		**121,997**	99,865
Other (losses)/gains, net		**(51,940)**	26,065
Net impairment loss on financial assets	5(c)	**(12,966)**	(40,169)
Selling expenses		**(191,254)**	(161,271)
Administrative expenses		**(885,506)**	(729,645)
Profit from operations		**751,497**	617,963
Finance costs	5(a)	**(38,425)**	(32,977)
Share of net profits of associates and a joint venture accounted for using the equity method		**17,246**	40
Profit before taxation		**730,318**	585,026
Income tax expenses	6	**(160,286)**	(131,407)
Profit for the period		**570,032**	453,619
Attributable to:			
Equity shareholders of the Company		**568,673**	439,315
Non-controlling interests		**1,359**	14,304
Profit for the period		**570,032**	453,619
Earnings per share attributable to the equity shareholders of the Company	7		
– Basic		**RMB0.283**	RMB0.219
– Diluted		**RMB0.252**	RMB0.192

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023 − unaudited

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period	**570,032**	453,619
Other comprehensive income for the period		
Items that may be reclassified to profit or loss		
Share of other comprehensive income of an associate	**–**	36
Currency translation differences	**56,256**	(26,243)
Total comprehensive income for the period	**626,288**	427,412
Attributable to:		
Equity shareholders of the Company	**626,758**	413,108
Non-controlling interests	**(470)**	14,304
Total comprehensive income for the period	**626,288**	427,412

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2023 – unaudited

	Note	**As at 30 June 2023** ***RMB'000*** **(unaudited)**	As at 31 December 2022 *RMB'000* (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**3,707,606**	3,738,485
Construction in progress		**384,869**	327,324
Right-of-use assets		**143,543**	140,139
Investment properties		**38,217**	38,906
Lease prepayments		**554,045**	561,331
Intangible assets		**133,249**	138,935
Goodwill		**263,549**	254,166
Deferred tax assets		**139,452**	140,086
Interests in associates and a joint venture		**310,257**	219,716
Financial instruments at fair value through profit or loss		**–**	249
Total non-current assets		**5,674,787**	5,559,337
Current assets			
Inventories		**4,904,601**	4,636,367
Contract assets		**1,756,548**	1,101,611
Trade and bills receivables	*8*	**3,436,399**	3,470,415
Deposits, other receivables and prepayments		**1,710,939**	1,644,343
Amounts due from related parties		**90,048**	157,009
Financial instruments at fair value through profit or loss		**22,117**	39,541
Term and restricted bank deposits		**995,172**	382,398
Cash and cash equivalents		**4,993,951**	5,223,453
Total current assets		**17,909,775**	16,655,137
Total assets		**23,584,562**	22,214,474
LIABILITIES			
Non-current liabilities			
Bank loans		**231,869**	76,925
Convertible bonds		**1,454,315**	1,388,644
Warranty provision		**130,466**	96,487
Deferred tax liabilities		**125,012**	119,125
Deferred income		**305,362**	300,567
Employee benefit liabilities		**11,770**	12,583
Lease liabilities		**115,245**	116,251
Loans from related parties		**22,904**	31,812
Financial instruments at fair value through profit or loss		**2,226**	8,837
Total non-current liabilities		**2,399,169**	2,151,231

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2023 – unaudited

	Note	As at 30 June 2023 RMB'000 (unaudited)	As at 31 December 2022 RMB'000 (audited)
Current liabilities			
Bank loans		**210,016**	367,774
Lease liabilities		**37,521**	32,667
Loans from related parties		**683,142**	135,715
Trade and bills payables	*9*	**3,437,991**	3,492,365
Contract liabilities		**4,361,103**	3,816,213
Other payables and accrued expenses		**1,889,350**	2,010,982
Amounts due to related parties		**390,952**	392,156
Warranty provision		**41,312**	50,878
Financial instruments at fair value through profit or loss		**201,956**	92,976
Income tax payable		**123,746**	144,010
Total current liabilities		**11,377,089**	10,535,736
Total liabilities		**13,776,258**	12,686,967
NET ASSETS		**9,808,304**	9,527,507
CAPITAL AND RESERVES			
Share capital		**18,521**	18,521
Reserves		**9,397,169**	9,123,246
Equity attributable to equity shareholders of the Company		**9,415,690**	9,141,767
Non-controlling interests		**392,614**	385,740
TOTAL EQUITY		**9,808,304**	9,527,507

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023- unaudited

	Attributable to equity shareholders of the Company												
	Share capital *RMB'000*	Share premium *RMB'000*	Shares held for share award scheme *RMB'000*	Contributed surplus *RMB'000*	Capital reserve *RMB'000*	Exchange reserve *RMB'000*	General reserve fund *RMB'000*	Retained earnings *RMB'000*	Convertible bonds reserve *RMB'000*	Other reserve *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
As at 1 January 2022	18,516	573,651	(125,124)	1,124,571	1,206,131	(384,756)	497,913	5,203,886	123,944	4,684	8,243,416	256,261	8,499,677
Profit for the period	–	–	–	–	–	–	–	439,315	–	–	439,315	14,304	453,619
Share of other comprehensive income of an associate	–	–	–	–	–	–	–	36	–	–	36	–	36
Currency translation differences	–	–	–	–	–	(26,243)	–	–	–	–	(26,243)	–	(26,243)
Total comprehensive income for the period	–	–	–	–	–	(26,243)	–	439,351	–	–	413,108	14,304	427,412
Issuance of shares in connection with exercise of share options	5	7,574	–	–	(2,215)	–	–	–	–	–	5,364	–	5,364
Special reserve – safe production fund	–	–	–	–	–	–	–	–	–	3,475	3,475	–	3,475
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	14,700	14,700
Shares held for share award scheme – vesting of awarded shares	–	39,355	36,765	–	(38,397)	–	–	–	–	–	37,723	–	37,723
Equity-settled share-based payments	–	–	–	–	32,949	–	–	–	–	–	32,949	–	32,949
Transfer to general reserve	–	–	–	–	–	–	14,379	(14,379)	–	–	–	–	–
Lapse of share options	–	–	–	–	(3,844)	–	–	3,844	–	–	–	–	–
2021 final dividend paid	–	–	–	–	–	–	–	(364,258)	–	–	(364,258)	–	(364,258)
Dividends distribution made by a subsidiary to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(3,578)	(3,578)
Equity-settled share-based payments of subsidiaries	–	–	–	–	24,998	–	–	–	–	–	24,998	48	25,046
Total contributions by and distributions to equity shareholders of the Company, recognised directly in equity	5	46,929	36,765	–	13,491	–	14,379	(374,793)	–	3,475	(259,749)	11,170	(248,579)
As at 30 June 2022	18,521	620,580	(88,359)	1,124,571	1,219,622	(410,999)	512,292	5,268,444	123,944	8,159	8,396,775	281,735	8,678,510

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023 – unaudited

	Attributable to equity shareholders of the Company												
	Share capital *RMB'000*	Share premium *RMB'000*	Shares held for share award scheme *RMB'000*	Contributed surplus *RMB'000*	Capital reserve *RMB'000*	Exchange reserve *RMB'000*	General reserve fund *RMB'000*	Retained earnings *RMB'000*	Convertible bonds reserve *RMB'000*	Other reserve *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
As at 1 January 2023	18,521	620,580	(88,359)	1,124,571	1,593,017	(467,365)	639,486	5,567,083	123,944	10,289	9,141,767	385,740	9,527,507
Profit for the period	–	–	–	–	–	–	–	568,673	–	–	568,673	1,359	570,032
Share of other comprehensive income of an associate	–	–	–	–	–	–	–	–	–	–	–	–	–
Currency translation differences	–	–	–	–	–	58,085	–	–	–	–	58,085	(1,829)	56,256
Total comprehensive income for the period	–	–	–	–	–	58,085	–	568,673	–	–	626,758	(470)	626,288
Special reserve – safe production fund	–	–	–	–	–	–	–	–	–	5,840	5,840	–	5,840
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	19,444	19,444
Shares held for share award scheme – vesting of awarded shares	–	42,448	36,230	–	(39,853)	–	–	–	–	–	38,825	–	38,825
Equity-settled share-based payments	–	–	–	–	14,243	–	–	–	–	–	14,243	–	14,243
Lapse of share options	–	–	–	–	(1,541)	–	–	1,541	–	–	–	–	–
2022 final dividend paid	–	–	–	–	–	–	–	(432,899)	–	–	(432,899)	–	(432,899)
Dividends distribution made by a subsidiary to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(12,320)	(12,320)
Equity-settled share-based payments of subsidiaries	–	–	–	–	21,156	–	–	–	–	–	21,156	220	21,376
Total contributions by and distributions to equity shareholders of the Company, recognised directly in equity	–	42,448	36,230	–	(5,995)	–	–	(431,358)	–	5,840	(352,835)	7,344	(345,491)
As at 30 June 2023	18,521	663,028	(52,129)	1,124,571	1,587,022	(409,280)	639,486	5,704,398	123,944	16,129	9,415,690	392,614	9,808,304

NOTES

1 BASIS OF PREPARATION OF THE INTERIM FINANCIAL INFORMATION

The consolidated results set out in this announcement are extracted from the financial statements of the Group for the six months ended 30 June 2023. The financial statements are presented in Renminbi ("**RMB**") unless otherwise stated.

This interim financial report for the six months ended 30 June 2023 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 does not include all the notes of the type normally included in an annual financial report. Accordingly, the interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**").

In preparing the interim financial statements, 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 2022.

2 ACCOUNTING POLICIES

(a) Amended standards adopted by the Group

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKFRS 17, Insurance Contracts
- Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosure of Accounting Policies
- Amendments to HKAS 8, Definition of Accounting Estimates
- Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the amended standards does not have a significant impact on the Group.

(b) New and amended standards not yet adopted

The following new and amended standards have been issued but are not effective for the financial period beginning 1 January 2023 and have not been early adopted:

	Effective for accounting periods beginning on or after
Classification of Liabilities as current or non-current – Amendments to HKAS 1	1 January 2024
Non-current liabilities with covenants – Amendments to HKAS 1	1 January 2024
Lease liability in sale and leaseback – amendments to HKFRS 16	1 January 2024
Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements –Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (HK Int 5 (Revised))	1 January 2024
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to HKFRS 10 and HKAS 28	To be determined

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3 REVENUE

The Group is principally engaged in the design, development, manufacturing, engineering, sales and operation of, and the provision of technical maintenance services for, a wide spectrum of transportation, storage and processing equipment that is widely used in the clean energy, chemical and environmental and liquid food industries.

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

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Sales of goods	**7,446,467**	6,704,100
Revenue from project engineering contracts	**3,310,022**	2,244,593
	10,756,489	8,948,693

4 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, which is the Group's chief operating decision-maker, for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments based on the economic characteristic of the business units.

- Clean energy: this segment specialises in the manufacture and sale of a wide range of equipment and construction for the storage, transportation, application, processing and distribution of natural gas, liquefied petroleum gas ("**LPG**") and hydrogen such as compressed natural gas and hydrogen trailers, seamless pressure cylinders, liquefied natural gas ("**LNG**") trailers, LNG and hydrogen storage tanks, LPG tanks, LPG trailers, natural gas and hydrogen refuelling station systems and natural gas compressors; and the provision of engineering, procurement and construction services for the natural gas and hydrogen industries; the design, production and sale of small to medium-sized offshore liquefied gas carriers; natural gas and hydrogen processing and distribution services and the provision of value-added services for the clean energy industry.

- Chemical and environmental: 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 gaseous chemicals and powder chemicals; the provision of maintenance and value-added service for tank containers; and the provision of key equipment research and development and manufacturing, and professional consulting services in relation to environmental protection.

- Liquid food: this segment specialises in the engineering, manufacture and sale of stainless steel tanks for storage and processing liquid food such as beer, distilled spirits, fruit juice and milk; the provision of turnkey service for the brewery industry as well as other liquid food industries; and the provision of peripheral logistics service.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision-maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include non-current assets and current assets with the exception of deferred tax assets and certain assets unallocated to an individual reportable segment. Segment liabilities include non-current liabilities and current liabilities with the exception of income tax payable, deferred tax liabilities, convertible bond and certain liabilities unallocated to an individual reportable segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted profit from operations". To arrive at the Group's profits, the reporting segments' adjusted profits from operations are further adjusted for items not specifically attributed to an individual reportable segment, such as finance costs, share of post-tax profit of associates, directors' remuneration, auditors' remuneration and other head office or corporate administrative expenses.

In addition to receive segment information concerning adjusted profit from operations, management is provided with segment information concerning revenue (including inter-segment sales), interest income from bank deposits, interest expenses, depreciation and amortisation, impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

	Clean energy		Chemical and environmental		Liquid food		Total	
	Six months ended 30 June		**Six months ended 30 June**		**Six months ended 30 June**		**Six months ended 30 June**	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from external customers	6,293,551	4,683,343	2,450,832	2,550,409	2,012,106	1,714,941	10,756,489	8,948,693
Inter-segment revenue	–	–	21,498	39,369	–	–	21,498	39,369
Reportable segment revenue	6,293,551	4,683,343	2,472,330	2,589,778	2,012,106	1,714,941	10,777,987	8,988,062
Timing of revenue recognition								
At a point in time	4,928,653	4,147,039	2,472,330	2,589,778	105,471	58,383	7,506,454	6,795,200
Over time	1,364,898	536,304	–	–	1,906,635	1,656,558	3,271,533	2,192,862
Reportable segment profit (adjusted profit from operations)	186,679	126,950	421,952	382,191	224,169	151,386	832,800	660,527

	Clean energy		Chemical and environmental		Liquid food		Total	
	As at 30 June 2,023	As at 31 December 2,022	**As at 30 June 2,023**	As at 31 December 2,022	**As at 30 June 2,023**	As at 31 December 2,022	**As at 30 June 2,023**	As at 31 December 2,022
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment assets	13,204,938	12,306,206	4,101,757	3,802,275	4,963,959	4,709,411	22,270,654	20,817,892
Reportable segment liabilities	7,123,253	6,407,380	1,202,429	1,444,547	2,828,378	2,537,281	11,154,060	10,389,208

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

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**10,777,987**	8,988,062
Elimination of inter-segment revenue	**(21,498)**	(39,369)
Consolidated revenue	**10,756,489**	8,948,693

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Profit		
Reportable segment profit	**832,800**	660,527
Elimination of inter-segment profit	**(4,047)**	(16,656)
Reportable segment profit derived from Group's external customers	**828,753**	643,871
Finance costs	**(38,425)**	(32,977)
Share of post-tax profit of associates and a joint venture	**17,246**	40
Unallocated operating expenses	**(77,256)**	(25,908)
Consolidated profit before taxation	**730,318**	585,026

	As at 30 June	As at 31 December
	2023	2022
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**22,270,654**	20,817,892
Elimination of inter-segment receivables	**(7,101)**	(6,542)
	22,263,553	20,811,350
Deferred tax assets	**139,452**	140,086
Unallocated assets	**1,181,557**	1,263,038
Consolidated total assets	**23,584,562**	22,214,474

	As at 30 June 2023 *RMB'000*	As at 31 December 2022 *RMB'000*
Liabilities		
Reportable segment liabilities	**11,154,060**	10,389,208
Elimination of inter-segment payables	**(7,101)**	(6,542)
	11,146,959	10,382,666
Income tax payable	**123,746**	144,010
Deferred tax liabilities	**125,012**	119,125
Convertible bonds	**1,454,315**	1,388,644
Unallocated liabilities	**926,226**	652,522
Consolidated total liabilities	**13,776,258**	12,686,967

There are no differences from the last annual financial statements in the basis of measurement of segment profit or loss.

5 PROFIT BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30 June 2023 *RMB'000*	2022 *RMB'000*
Interest on bank loans, loans from related parties, other borrowings	**13,056**	9,503
Interest on lease liabilities	**3,022**	1,617
Interest on convertible bonds	**20,293**	20,216
Less: interest capitalised	**(1,355)**	(978)
Bank charges	**3,409**	2,619
	38,425	32,977

(b) Other items

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Raw materials and consumables used	**8,119,935**	6,768,512
Finished goods and work-in-progress movement	**225,338**	111,237
Salaries, wages and allowances	**1,086,925**	965,883
Contributions to retirement schemes	**67,389**	54,546
Depreciation of property, plant and equipment	**170,017**	142,684
Depreciation of right-of-use assets	**18,752**	16,486
Amortisation of intangible assets	**14,004**	18,902
Amortisation of lease prepayments	**7,402**	8,358
Operating lease charges for property rental	**5,131**	4,226
Provision for product warranties, net	**21,155**	(5,178)
Write-down of inventories	**24,432**	11,737
Equity-settled share-based payment expenses	**35,619**	57,995

During the six months ended 30 June 2023, research and development costs is RMB318,820,000 (30 June 2022: RMB217,949,000).

(c) Net impairment loss on financial assets

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Impairment provision for trade receivables	**48,722**	73,350
Reversal of impairment provision for trade receivables	**(40,244)**	(35,282)
Impairment provision for other receivables	**385**	4,082
Impairment provision for contract assets	**4,988**	252
Reversal of impairment provision for contract assets	**(885)**	(2,233)
	12,966	40,169

6 INCOME TAX EXPENSES

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Current income tax	**178,409**	103,657
Deferred income tax	**(18,123)**	27,750
	160,286	131,407

No provision has been made for Hong Kong Profits Tax as the Group did not have assessable profits subject to Hong Kong Profits Tax during the period.

According to the Corporate Income Tax Law of the People's Republic of China (the "**Tax Law**"), the Company's subsidiaries in the PRC are subject to statutory income tax rate of 25%, except for those which are entitled to a preferential tax rate applicable to advanced and new technology enterprises of 15%.

Pursuant to the Tax Law, "Notice of the State Administration of Taxation on Issues Concerning the Determination of Chinese-Controlled Enterprises Registered Overseas as Resident Enterprises on the Basis of Their Bodies of Actual Management" and "Announcement of the State Administration of Taxation on Issues Concerning the Determination of Resident Enterprises on the Basis of Their Actual Management Bodies", the Administration of Local Taxation of Shenzhen Municipality issued an approval under which the Company and all the foreign incorporated subsidiaries with shareholdings in the PRC subsidiaries of the Group are regarded as Chinese resident enterprises. Therefore, during the six months ended 30 June 2023, no deferred withholding tax was provided for the distributable profits of PRC subsidiaries.

Taxation of subsidiaries in the Netherlands, Belgium, Denmark, Germany, United Kingdom, Canada, United States and Singapore are charged at the prevailing rates of 25.8%, 25%, 22%, 30%, 19%, 31%, 21% and 17% respectively in the relevant countries and are calculated on a stand-alone basis.

7 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	
	2023	2022
	RMB'000	*RMB'000*
Earnings		
Earnings for the purposes of basic earnings per share	**568,673**	439,315
Earnings for the purposes of diluted earnings per share	**543,477**	414,114

	Six months ended 30 June	
	2023	2022
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,006,925,926**	2,005,005,823
Effect of dilutive potential ordinary shares in respect of convertible bonds and the Company's share option and share award schemes	**147,772,871**	148,366,770
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,154,698,797**	2,153,372,593

	Six months ended 30 June	
	2023	2022
	RMB	*RMB*
Earnings per share		
Basic earnings per share	**0.283**	0.219
Diluted earnings per share	**0.252**	0.192

8 TRADE AND BILLS RECEIVABLES

	As at 30 June 2023 *RMB'000*	As at 31 December 2022 *RMB'000*
Trade receivables	**3,477,594**	3,372,209
Less: allowance for doubtful debts	**(257,250)**	(264,132)
	3,220,344	3,108,077
Bills receivables (i)	**216,055**	362,338
	3,436,399	3,470,415

(i) As at 30 June 2023, amounts of RMB148,444,000 represent bank acceptance bills classified as financial assets at fair value through other comprehensive income, which the Group intended to hold until maturity and to discount or endorse to financial institutions for treasury management purposes (2022: RMB220,474,000). RMB44,057,000 and RMB23,554,000 represent trade acceptance bills and bank acceptance bills, respectively classified as financial assets at amortised cost, which the Group has intended to hold until maturity (31 December 2022: RMB80,110,000 and RMB61,754,000).

As at 30 June 2023, amounts of RMB33,779,000 and RMB12,219,000 represent bank acceptance bills and trade acceptance bills, respectively, which the Group had endorsed to financial institutions but they did not meet the criteria of derecognition. As a result, these two amounts remained on-book in the financial statements (31 December 2022: RMB41,673,000 and RMB29,302,000).

(ii) An ageing analysis of trade and bills receivables based on due date (net of impairment losses for bad and doubtful debts) is as follows:

	As at 30 June 2023 *RMB'000*	As at 31 December 2022 *RMB'000*
Current	**2,783,774**	2,784,761
Less than 3 months past due	**369,523**	417,634
More than 3 months but less than 12 months past due	**223,486**	183,634
More than 1 year but less than 2 years past due	**29,792**	46,959
More than 2 years but less than 3 years past due	**19,082**	34,185
More than 3 years due	**10,742**	3,242
Amounts past due	**652,625**	685,654
	3,436,399	3,470,415

9 TRADE AND BILLS PAYABLES

	As at 30 June 2023 *RMB'000*	As at 31 December 2022 *RMB'000*
Trade creditors	**2,997,236**	2,970,755
Bills payables	**440,755**	521,610
	3,437,991	3,492,365

An ageing analysis of trade and bills payables of the Group, based on invoice date, is as follows:

	As at 30 June 2023 *RMB'000*	As at 31 December 2022 *RMB'000*
Within 3 months	**2,455,169**	2,487,962
3 months to 12 months	**800,198**	826,202
Over 12 months	**182,624**	178,201
	3,437,991	3,492,365

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

10 DIVIDENDS

Final dividend of RMB432,899,000 in relation to the year ended 31 December 2022 was paid in 2023 (final dividend of RMB364,258,000 in relation to the year ended 31 December 2021 was paid in 2022).

The Board of Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The financial and operational data highlights of the Group for the period together with the comparative figures for the corresponding period last year are as follows:

	Six months ended 30 June		Change
	2023	2022	*%*
	(unaudited)	(unaudited)	
Key financial data			
Revenue *(RMB'000)*	**10,756,489**	8,948,693	20.2%
－Clean energy segment	**6,293,551**	4,683,343	34.4%
－Chemical and environmental segment	**2,450,832**	2,550,409	(3.9%)
－Liquid food segment	**2,012,106**	1,714,941	17.3%
Gross profit *(RMB'000)*	**1,771,166**	1,423,118	24.5%
Net profit *(RMB'000)*	**570,032**	453,619	25.7%
Profit attributable to shareholders *(RMB'000)*	**568,673**	439,315	29.4%
Core profit* *(RMB'000)*	**625,944**	531,831	17.7%
Basic earnings per share *(RMB)*	**0.283**	0.219	29.2%

* Core profit[1] – Profit for the six months ended 30 June but stripping out amortisation of share base incentive scheme expense and convertible bonds related finance expenses

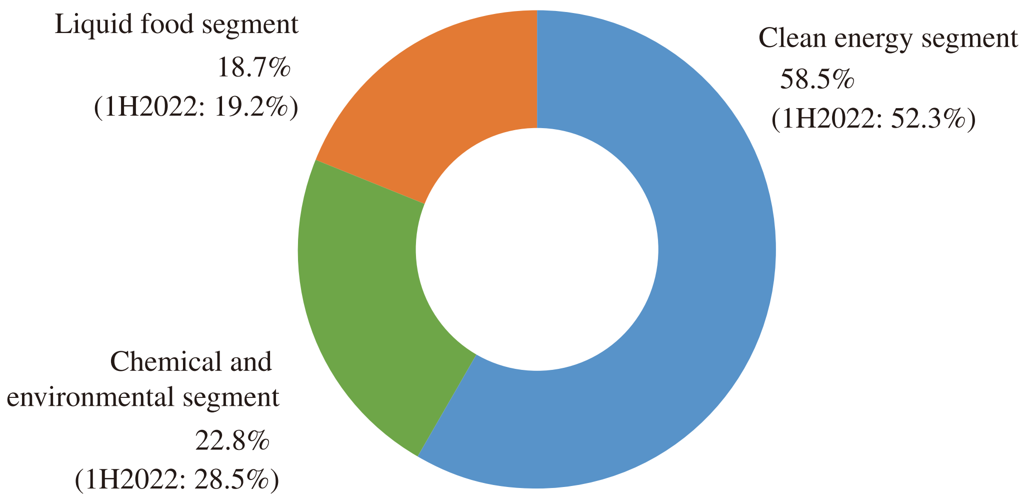
[1] The core profit is a non-HKFRS measure facilitating the evaluation of financial performance of the Group's core operations. Such non-HKFRS measure may be defined differently from similar terms used by other companies.

FINANCIAL REVIEW

Revenue

During the first half of 2023, benefitting from recovery of overseas economy and increased international trading activities, the Group's clean energy and liquid food segments grew steadily during the year. At the same time, the market downturn has negatively impacted our chemical and environmental segment. As a result, the Group's consolidated revenue for the first half of 2023 rose by 20.2% to RMB10,756,489,000 (corresponding period in 2022: RMB8,948,693,000). The performance of each segment is discussed below.

Revenue breakdown by segment



Stimulated by favourable factors such as the recovery of its economy, China's natural gas market has been gradually rebounding, with supply of and demand for natural gas both recording growth. Also, favourable government policies and recovery of domestic natural gas consumption have boosted sales of our storage and transportation equipment such as the LNG storage tanks and CNG trailers. As a result, the clean energy segment's revenue for the first half of 2023 rose by 34.4% to RMB6,293,551,000 (corresponding period in 2022: RMB4,683,343,000), among which the hydrogen related business's revenue increased by 59.1% to RMB269,686,000 (corresponding period in 2022: RMB169,489,000). The clean energy segment remained the top grossing segment and contributed 58.5% (corresponding period in 2022: 52.3%) of the Group's total revenue.

With international logistics gradually recovering, a balance between global demand for and supply of tank containers has been achieved and demand for new containers gradually returned to a normal level. As a result, the chemical and environmental segment's revenue was down slightly by 3.9% to RMB2,450,832,000 (corresponding period in 2022: RMB2,550,409,000). The segment made up 22.8% of the Group's total revenue (corresponding period in 2022: 28.5%).

During the first half of 2023, the liquid food segment's operations (especially on-site construction works) had been mostly back on schedule and benefitting from the increase in newly signed orders, as a result, the liquid food segment's revenue saw an increase of 17.3% to RMB2,012,106,000 during the period (corresponding period in 2022: RMB1,714,941,000). The segment accounted for 18.7% of the Group's total revenue (corresponding period in 2022: 19.2%).

	Six months ended 30 June		**Change**
	2023	2022	%
	(unaudited)	(unaudited)	
Newly signed orders			
Total *(RMB million)*	**12,666**	10,746	17.9%
－Clean energy segment	**7,912**	5,359	47.6%
－Hydrogen business	**345**	230	50.0%
－Chemical and environmental segment	**2,309**	2,526	(8.6%)
－Liquid food segment	**2,445**	2,861	(14.5%)

	As at 30 June		**Change**
	2023	2022	%
	(unaudited)	(unaudited)	
Orders on hand			
Total *(RMB million)*	**20,602**	17,346	18.8%
－Clean energy segment	**13,438**	9,644	39.3%
－Hydrogen business	**373**	172	116.9%
－Chemical and environmental segment	**2,095**	2,591	(19.1%)
－Liquid food segment	**5,069**	5,111	(0.8%)

During the first half of 2023, the newly signed orders of the Group totalled RMB12,666 million, representing an increase of 17.9% compared with the same period last year.

The newly signed orders for clean energy segment experienced a significant increase of 47.6% to RMB7,912 million compared with the same period last year, which was mainly attributable to the expansion of overseas market as well as the recovery of domestic natural gas consumption and the resumption of LNG price at normal level, and the remarkable growth in the Group's orders for gas storage and peak-shaving project, natural gas storage and transportation equipment and on-vehicle LNG cylinder. Besides, due to the green upgrading of global shipping industry and the prosperous future of shipbuilding industry, the Group won 8 new shipbuilding orders during the period. During the first half of 2023, the newly signed orders for hydrogen business amounted to RMB345 million, representing an increase of 50.0% compared with the same period of 2022.

The newly signed orders for chemical and environmental segment reached RMB2,309 million, representing a year-on-year ("**YoY**") change of -8.6%. The new demand for standard tank containers gradually returned to normal as global supply and demand for chemical tank containers returned to equilibrium, but demand for special tank containers remained at a strong level, benefiting from the booming new energy and chip industries.

The newly signed order for liquid food segment reached RMB2,445 million, representing a YoY change of -14.5%. The liquid food segment was mainly engaged in turnkey projects, and the growth of newly signed orders was highly correlated to the project bidding progress. Despite the significant YoY growth in beer turnkey orders during the period, the liquid food segment won the tender for a large-scale spirits project in Mexico in June last year worth approximately EUR94 million (approximately RMB665 million), resulting in a decrease in cumulative newly signed orders during the reporting period compared to the last year. The segment is now closely following up new projects in Latin America, China, Europe and Asia Pacific and is expected to continue to finalise new orders in the second half of the year.

At 30 June 2023, the orders on hand of the Group reached RMB20,602 million, representing a YoY increase of 18.8%, hitting a record high. The orders on hand for clean energy segment, chemical and environmental segment, and liquid food segment reached RMB13,438 million, RMB2,095 million and RMB5,069 million, representing YoY changes of 39.3%, -19.1% and -0.8%, respectively.

The YoY change in orders on hand of the chemical and environmental segment was primarily due to the completion and start-up operations of the segment's smart production line upgrades, which doubled the production capacity of the Group's special tank containers in the first half of the year, accelerating the conversion of orders on hand.

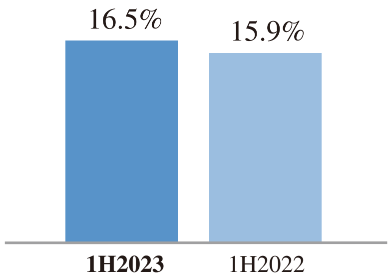
The projects on hand of liquid food segment advanced steadily on schedule and on budget, and the orders on hand were basically the same as that of the same period last year.

The orders on hand for hydrogen at the end of June 2023 reached RMB373 million, recording a significant increase of 116.9% compared with the same period last year.

Gross profit margin and profitability

The gross profit margin ("**GP margin**") of the three segments of the Group rose at varying degrees. Overall, the GP margin of the Group during the period improved by 0.6 percentage point to 16.5% (corresponding period in 2022:15.9%).

Gross profit margin



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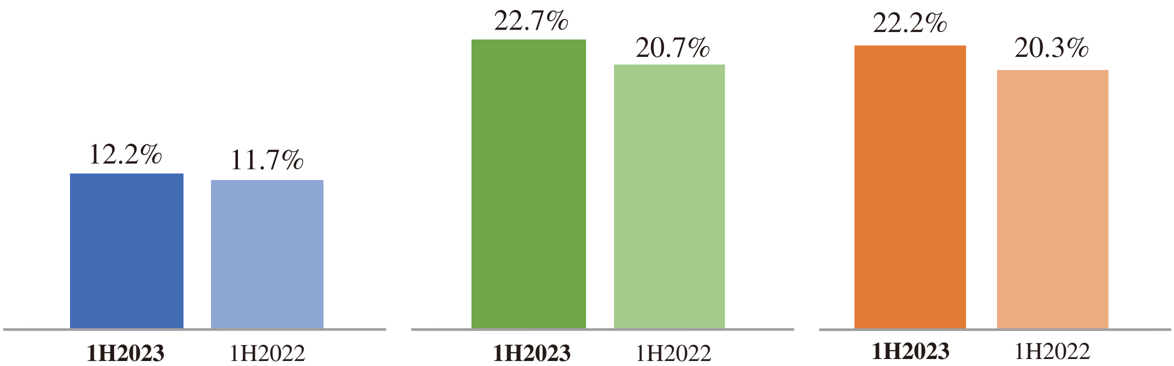

Clean energy segment | Chemical and environmental segment | Liquid food segment

The clean energy segment's GP margin improved slightly, which was mainly due to better economies of scale triggered by an increase in production of both energy storage and transportation equipment and the decline in cost of steel. In addition, the growth in overseas sales has a favourable impact on gross profit as these sales are mainly denominated in USD and USD had been appreciating against RMB during the period which in turn raised the revenue reported in RMB. During the period, the GP margin of chemical and environmental segment increased slightly, which was mainly due to appreciation of USD against RMB with the segment's key products, tank containers which are mostly denominated in USD. Due to the effective control of cost-saving and the higher gross margin of the hard seltzers equipment, the GP margin of the liquid food segment recorded a promising growth.

Profit from operations expressed as a percentage of revenue rose by 0.1 percentage point from 6.9% in the same period last year to 7.0% during the current period which was mainly due to the improved GP margin while the Group's operating expenses increased at almost the same rate as gross profit did.

During the period, income tax expense increased by 22.0% to RMB160,286,000 (corresponding period in 2022: RMB131,407,000) which rose at a higher rate than that of the Group's revenue. Moreover, the effective tax rate decreased from 22.5% in the same period of 2022 to 21.9% in the current period was mainly attributable to increase in profit contribution from advanced and new technology enterprises in China who enjoy a preferential tax rate of 15% instead of the normal tax rate of 25%.

Liquidity and financial resources

	30 June 2023	31 December 2022	**Change**
Net assets *(RMB'000)*	**9,808,304**	9,527,507	2.9%
Cash and cash equivalents *(RMB'000)*	**4,993,951**	5,223,453	(4.4%)
Interest bearing debts[1] *(RMB'000)*	**2,602,246**	2,000,870	30.1%
Gearing ratio[2]	**26.5%**	21.0%	5.5 ppt

1 Interest bearing debts = Bank loans, loans from related parties and convertible bonds

2 Gearing Ratio = Interest bearing debts ÷ Net assets

As at 30 June 2023, the cash and cash equivalents of the Group amounted to RMB4,993,951,000 (31 December 2022: RMB5,223,453,000). A portion of the Group's bank deposits totalling RMB995,172,000 (31 December 2022: RMB382,398,000), which had a term of maturity more than three months from the date of their initial placement, were restricted for guarantee of banking facilities and for treasury management purpose. The Group has maintained sufficient cash on hand for repayment of bank loans and loans from related parties as they fall due, and has continued to take a prudent approach in future development and capital expenditure. The Group has consistently been cautious in managing its financial resources and will constantly review and maintain an optimal gearing level.

As at 30 June 2023, the Group's bank loans and overdrafts amounted to RMB441,885,000 (31 December 2022: RMB444,699,000), which are all repayable within one year to five years. Apart from the term loan as well as revolving banking facilities which are denominated in USD and HKD that bear interest at floating rates, the overall bank loans bear interest at rates from 2.90% to 4.50% per annum.

As at 30 June 2023, the Group did not have any secured bank loan (31 December 2022: nil) nor any bank loan that was guaranteed by the Company's subsidiaries (31 December 2022: nil). As at 30 June 2023, loans from related parties amounted to RMB706,046,000 (31 December 2022: RMB167,527,000), which are unsecured, interest bearing from 3.00% to 4.75% (31 December 2022: 3.80% to 4.75%) per annum and repayable within one year to one and a half years.

As at 30 June 2023, the Group's zero-coupon convertible bonds ("**CB**") amounted to RMB1,454,315,000 (31 December 2022: RMB1,388,644,000). There has not been any conversion of the CB during the period. With effect from 2 June 2023, the CB's conversion price has been adjusted from HKD11.49 to HKD11.15 and if fully converted will be convertible into 150,672,645 shares of the Company, representing an increase of 4,458,546 shares (31 December 2022: 146,214,099 shares).

The net gearing ratio, which is calculated by dividing net debt over shareholders' equity, was zero times (31 December 2022: zero times) as the Group retained a net cash balance of RMB2,391,705,000 (31 December 2022: RMB3,222,583,000). The decrease in net cash balance is mainly attributable to the outflow from investing activities which was offset to certain extent by the cash inflows from operating and financing activities.

The Group recorded a cash inflow from operating activities of RMB568,123,000 (corresponding period in 2022: inflow of RMB1,580,454,000) mainly attributable to increase in contract liabilities (i.e. down payments received from EPC/turnkey projects awarded). By consistently applying the right measures and controls, the Company is confident to maintain a net operating cash inflow in the long run.

The net cash used in investing activities amounted to RMB902,390,000 (corresponding period in 2022: RMB215,241,000). This is mainly due to the payment for construction in progress and property, plant and equipment for production and operation which totalled RMB244,464,000 and the placement of term deposits amounted to RMB568,903,000 (corresponding period in 2022: RMB205,294,000 and nil respectively).

During the period, the cash inflow from financing activities amounted to RMB100,927,000 (corresponding period in 2022: outflow of RMB162,533,000). This increase in cash inflow was mainly due to higher amount of net drawdown of bank loans and net loans from related parties of RMB530,587,000 during the period compared with the corresponding period in 2022 of RMB151,460,000. This inflow was offset to a certain extent by the payment of final dividend for 2022 of RMB432,899,000 (corresponding period in 2022: RMB364,258,000).

As a result, the cash outflow of the Group during the period totalled RMB233,340,000 (corresponding period in 2022: a cash inflow of RMB1,202,680,000).

The Group's interest coverage was 26.9 times for the period (corresponding period in 2022: 25.6 times), demonstrating the Group is fully capable of meeting its interest expense obligations. While the general economic outlook has improved and the Group is still in a stable financial position and able to fulfil its interest obligations, the Group will continue with a responsible approach in managing its cash resources.

Assets and liabilities

As at 30 June 2023, total assets of the Group increased from RMB22,214,474,000 (at 31 December 2022) to RMB23,584,562,000. Non-current assets increased by RMB115,450,000 and current assets by RMB1,254,638,000. At 30 June 2023, total liabilities of the Group increased by RMB1,089,291,000 to RMB13,776,258,000 (31 December 2022: RMB12,686,967,000). The net asset value increased slightly from RMB9,527,507,000 (at 31 December 2022) to RMB9,808,304,000. The net asset value per share also increased slightly to RMB4.836 at 30 June 2023 from RMB4.697 at 31 December 2022.

Contingent liabilities

As at 30 June 2023, the Group had outstanding procurement performance guarantees issued by relevant banks totalling RMB1,571,131,000 (31 December 2022: RMB1,257,969,000), project execution guarantees totalling RMB426,922,000 (31 December 2022: RMB497,122,000), warranty guarantees totalling RMB138,913,000 (31 December 2022: RMB152,364,000) and miscellaneous guarantees totalling RMB15,000,000 (31 December 2022: RMB12,961,000). Save as disclosed above, the Group did not have other material contingent liabilities.

Future plans for source of funding and capital commitments

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 some extent by interest bearing debts. At the same time, the Group will continuously 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 at 30 June 2023, the Group had contracted but not provided for capital commitments of RMB268,512,000 (31 December 2022: RMB184,949,000), while the Group did not have any authorised but not contracted for capital commitments (31 December 2022: nil).

Foreign exchange exposure

The Group is exposed to foreign currency risk primarily through trade transactions that are denominated in currencies other than its functional currency. The currencies giving rise to this risk to the Group are primarily US dollar and Euro. 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 can enter into foreign exchange forward contracts with reputable financial institutions to hedge foreign exchange risk.

Capital expenditure

In the first half of 2023, the Group invested RMB322,732,000 (corresponding period in 2022: RMB231,361,000) in capital expenditure for expansion of production capacity, general maintenance of production capacity and new business ventures.

Employees and Remuneration Policies

As at 30 June 2023, the total number of employees of the Group was approximately 10,600 (corresponding period in 2022: approximately 9,500). Total staff costs (including Directors' emoluments, retirement benefits schemes contributions and equity-settled share-based payment expenses) were approximately RMB1,189,933,000 (corresponding period in 2022: RMB1,057,931,000). The rise in total staff costs were mainly attributable to the increase in production level during the period.

BUSINESS REVIEW

The Group is principally engaged in the design, development, manufacturing, engineering, sales and operation of, and the provision of technical maintenance and integrated services for, a wide spectrum of transportation, storage and processing equipment that is widely used for the clean energy, chemical and environmental, and liquid food industries.

BUSINESS REVIEW BY SEGMENTS

Clean Energy

The segment specialises in the manufacture, sale and operation of various types of equipment for the storage, transportation, processing and distribution of natural gas in the form of liquefied natural gas ("**LNG**"), compressed natural gas ("**CNG**") and liquefied petroleum gas ("**LPG**"). It also provides engineering, procurement and construction ("**EPC**") services to the clean energy industry, such as the LNG plants and receiving terminals for importation of LNG and liquefied ethylene/ethane gas ("**LEG**"). The segment also provides hydrogen energy equipment products and project engineering services covering such areas as "production, storage, transportation, refuelling and application" in the hydrogen industry chain, including high-pressure gaseous and cryogenic liquid hydrogen-related equipment, core processes and solutions, such as high-pressure hydrogen transportation trucks, hydrogen storage tanks, medium pressure hydrogen storage spherical tanks, electrolysers, and all the core equipment in the hydrogen refuelling stations, as well as liquid hydrogen transportation vehicles and storage tanks. In addition, the segment also engages in the design, manufacture and sale of small and medium liquefied gas carriers such as LPG, LNG and LEG carriers, fuel supply systems and oil & gas liquefaction modules for LNG-powered vessels. The segment also provides intelligent value-added services to the clean energy industry based on the Internet of Things ("**IoT**") Intelligent Operation and Management Platform.

Onshore Clean Energy Business

In the first half of 2023, with the stimulation of favourable factors such as the recovery of its economy, China's natural gas market was gradually rebounding, with the supply of and demand for natural gas recording coincident growth. According to the National Development and Reform Commission (NDRC), in the first half of 2023, China's apparent consumption of natural gas amounted to 194.9 billion m^3, representing a YoY increase of 6.7%, while the natural gas production and import amounted to 115.5 billion m^3 and 79.4 billion m^3, representing a YoY increase of 5.4% and 5.8% respectively, of which the import of LNG amounted to 46.2 billion m^3, representing a YoY increase of 6.7%, accounting for 58.1% of the overall import of natural gas. LNG import volume in the second quarter increased even notably by 18.0% as compared with the same period of the previous year.

In addition, with the marginal effect of geopolitics such as the Ukraine crisis on the international energy market weakening, the prices of international spot and medium- to long-term futures of natural gas have recovered to the levels prior to the crisis. The data of the National Bureau of Statistics also showed that, as of 30 June 2023, the LNG price in the domestic market was RMB4,182/ton, down by 50.4% compared with RMB8,437/ton, being the highest in 2022, down by 41.7% compared with RMB7,168/ton as at the end of 2022, and down by 21.1% compared with the average price of RMB5,303/ton in 2021. Meanwhile, the diesel price was soaring high, resulting in the ratio of LNG price to diesel price falling from 1.07, being the highest in 2022, to 0.57 as at the end of June 2023, making natural gas a more economic choice and bringing the greatest impact to the downstream transportation sector. The industrial data showed that in June 2023, 14,000 LNG heavy-duty trucks were sold in the market, representing a significant YoY increase of 324.8%; from January to June 2023, a total of 49,000 LNG heavy-duty trucks were sold, representing a net increase of 36,000, or 273.6%, compared with the same period of the previous year, giving the on-vehicle LNG cylinder market a remarkable boost.

During the period under review, this segment continued to promote its integrated solutions for the processing and distribution of marginal gases such as the upstream wellhead gas and coalbed gas by entering into a strategic cooperation agreement with Xi'an Changqing Tongxin Petroleum Technology Co., Ltd. (西安長慶同欣石油科技有限公司), a subsidiary of Changqing Oilfield (長慶油田), on carrying out in-depth cooperation in the comprehensive utilization of remote wells and helium industry chain. During the period, in the midstream sector, thanks to the increase in the demand for gas storage and peak-shaving projects in line with China's intensified monitoring of the gas storage capacity of natural gas producers, the segment won the bid for several natural gas peak-shaving storage projects, including a 29,000m^3 natural gas peak-shaving storage station in Shaanxi Province and the Shenzhen Natural Gas Peak-shaving Storage Phase II Expansion EPC Project. The recovery of domestic natural gas consumption has given a big boost to the sales of our storage and transportation equipment such as the LNG storage tanks and CNG trailers. The segment also strove constantly to improve the performance of its high-end equipment by further innovating and upgrading its second generation of liquid helium tank containers in terms of structural optimization and design of the insulation system, which has successfully secured it a batch of orders. In the field of terminal application, with the economy of natural gas prices being further stressed, the LNG heavy-duty truck market was rapidly picking up. Thus, the segment's newly signed orders and delivered orders of on-vehicle LNG cylinders both grew significantly, with the cumulative new orders for on-vehicle LNG cylinders for the first half of the year nearing RMB300 million, representing a YoY increase of nearly 20 times. During the reporting period, the segment also heightened its efforts to increase its market share and presence in the overseas clean energy markets, with focus on the countries and regions with abundant oil and gas resources such as the Middle East, and those with rapidly growing demand for natural gas and industrial gas such as South America and Southeast Asia. In the first half of the year, the overseas market of onshore clean energy recorded a sales revenue of RMB970 million, representing a YoY growth of 46%.

Offshore Clean Energy Business

Benefiting from the ship replacement cycle and the increasingly stringent requirements on environmental protection and emission reduction, the liquefied gas carrier market gradually heated up in the first half of 2023, with the shipbuilding industry ushering in a prolonged booming cycle, and the prices of the newly-built ships rising steadily. As of 30 June 2023, the Clarkson Newbuilding Price Index reached 170.91 points, up by 36% from the beginning of 2021, being the highest since January 2009. In addition, Clarkson's research report showed that 44% of new building orders in the first half of this year came from alternative fuel vessels, among which, 86 were for LNG vessels and 62 for methanol vessels, making methanol one of the mainstream fuels right behind LNG. Clarkson also indicated that market interest in the LNG carrier industry remained strong, with LNG dual fuel-powered vessels remaining the favourite of most shipowners. Steve Gordon, Clarkson's Managing Director, said that global order intake remained relatively stable, accounting for 10% of the fleet, while there were significant differences between the market segments, with LNG carriers accounting for 51% of the total.

During the period under review, the segment successively secured 8 new building and 4 optional vessel orders, including 2+2 1,450 TEU container vessels, 2+2 40,000 m^3 LPG/liquid ammonia carrier (MGC vessels) signed with Avance Gas, and four 12,500T dual-fuel dry bulk carriers signed with CSC Cargo Co., Ltd. Particularly, it is the first time for the segment to undertake the building order of MGC vessels, and also the first order for construction of A-type cargo tank carriers. As the specification and size of the MGC vessel align perfectly with the scale of liquid ammonia batch trading and transportation, it is expected to emerge as the backbone of zero-carbon energy transportation in the future. The first vessel built for CSC Cargo will apply the LNG marine tank-swap solution advocated by the segment and approved by the Ministry of Industry and Information Technology (MIIT) in the coastal area of the Yangtze River, thus accelerating the landing of "Gasification of the Yangtze River" project.

During the period, the segment was also steadily promoting the green methanol project, with the site selection, feasibility study and technology development completed.

In terms of oil-to-gas conversion for vessels, the segment delivered a total of 29 oil-to-gas vessels at the beginning of the year, being the largest number in China in a single batch. During the period, the segment also entered into strategic agreements with partners such as Wuhan Changjiang Ship Design Institute (武漢長江船舶設計院) of the CSC Group and Jining Energy Development Group Limited (濟寧能源發展集團有限公司), and was committed to the eco-friendly upgrading of the Yangtze River and the Beijing-Hangzhou Grand Canal.

Hydrogen Energy Business

In the first half of 2023, 26 provincial, municipal and autonomous regional governments announced hydrogen energy-related supporting policies, with more than 60 prefecture-level cities (districts) issuing specific hydrogen energy planning and incentive policies. We have witnessed a further eruption in the construction of green hydrogen capacity in the first half of 2023. More than 19 green hydrogen projects were landed, with a total investment of more than RMB140 billion. According to the figures released by China Association of Automobile Manufacturers (CAAM), in the first half of 2023, 2,495 and 2,410 hydrogen fuel cell vehicles in China were manufactured and sold respectively, representing a YoY increase of 38.4% and 73.5%.

In terms of upstream hydrogen production, earlier this year, our hydrogen business's first 1,200m^3/h alkaline electrolyser was launched, with the methanol-hydrogen production equipment in the process of prototyping. In terms of midstream storage and transportation, in the field of high-pressure gaseous hydrogen, the 30MPa hoop-wrapped tube bundle containers and 99MPa stationary hydrogen storage vessels realised batch sales and met with positive market response, with a number of enterprises taking steps in advance to establish their presence in the 30MPa tube bundle containers scenario, leading the upgrading of the market; in the field of medium-pressure storage and transportation, with a large number of green hydrogen projects in western China progressing smoothly, our operations of the medium-pressure hydrogen storage spherical tanks also embraced a significant growth. In the first half of the year, the segment won the tender for EPC general contracting for the first large-scale spherical tank hydrogen storage project in Inner Mongolia. Liquid hydrogen is also the segment's main focus this year. With the official release of the group standards for mobile liquid hydrogen transport containers which the segment has taken the lead in drafting, followed by the adoption of China's first corporate standard for "Mobile Vacuum Insulated Liquid Hydrogen Pressure Vessel", the projects of liquid hydrogen storage tanks and tank trucks were launched successively, together with the successful launch of China's first 40-foot liquid hydrogen tank container, consolidating CIMC Enric's leadership in the field of liquid hydrogen.

The hydrogen energy business has also made breakthroughs in downstream applications. In terms of on-vehicle cylinders, the national standards for the "Regular Inspection and Evaluation of On-vehicle Compressed Hydrogen Fiber-wrapped Cylinders" and "On-vehicle Compressed Hydrogen Carbon Fiber-wrapped Cylinders with Plastic Inner Tube", in which the Company has taken an active part in drafting, were officially released. During the first half of the year, the segment continued to expand its market share by accelerating the construction of the production base for Type IV on-vehicle hydrogen cylinders and supply system in Luancheng District, Shijiazhuang, Hebei Province. The segment also successfully delivered the Type IV on-vehicle hydrogen supply system for exported hydrogen fuel cell heavy-duty trucks and overseas hydrogen fuel cell smart rail project; and for Type III cylinders, the segment has completed the development, mass production and sales of 390L hydrogen cylinders. In terms of hydrogen refuelling stations, the segment successfully delivered a number of stationary and skid-mounted hydrogen refuelling stations in the first half of the year, and won the tender for and delivered the first hydrogen refuelling station demonstration project in Hong Kong, serving the double-decked hydrogen buses, as a support to facilitate the transformation of Hong Kong's transport energy mix to hydrogen energy. In addition, the trial production of a new 500kg/12h integrated standardised hydrogen refuelling station has been completed.

Prospects

Onshore Clean Energy Business

Due to its higher calorific value and lower carbon emissions, LNG is playing a significant role in driving new energy construction with its market value continuously increasing. In recent years, in order to meet global energy demand and make an important contribution to sustainable development, the development of LNG has received sustained attention and strong support from the global market. The International Energy Agency (IEA) predicts that LNG will replace coal as the world's second-largest energy source in the global energy structure from 2030 to 2035, and the demand for LNG will continue to grow worldwide. The World LNG Report (《全球液化天然氣報告》) released by the International Gas Union in June 2023 indicates that the global LNG trade volume increased by 6.8% in 2022, reaching a new record of 401.5 million tons, and it is expected that the global LNG trade volume will continue to grow in 2023. Due to geopolitical influences, the global LNG supply structure has changed. In 2023, after multiple rounds of competition, the new international/regional LNG supply system will become increasingly robust, which will also create new market opportunities for the segment's sales of LNG and other clean energy equipment.

According to the China Natural Gas Development Report (2023) (《中國天然氣發展報告(2023)》) compiled and released by the National Energy Administration, the National High-End Think Tank Research Center (國家高端智庫研究中心), and other departments, it is expected that under the current global natural gas supply and demand balance, the overall demand for replenishment of European and American gas storage facilities is guaranteed, and under the premise of the absence of global extreme cold weather, the natural gas market will generally remain stable during the current and next heating seasons, and the overall supply-demand fundamentals will remain stable and improving; in terms of domestic demand, influenced by economic conditions and trends in domestic and international natural gas prices, demand will continue to recover. The preliminary estimate for the national natural gas consumption in 2023 is between 385.0 billion to 390.0 billion cubic meters, with a YoY growth rate of 5.5% to 7%. The growth will be mainly driven by city gas (commercial and service sectors, transportation, and heating) and gas-fired power generation. In addition, the more stringent National VI-B environmental protection standard has been fully implemented since 1 July 2023, the cost advantage of LNG heavy-duty trucks may be further demonstrated. It is expected that the on-vehicle cylinder market will continue to grow in the second half of the year, and the demand for other natural gas terminal application equipment is also expected to see a rapid recovery and growth. Under the demand for energy security and energy transformation, the natural gas storage and regulation capacity will be further enhanced, and the segment's related equipment and engineering are expected to enjoy benefits continuously.

Offshore Clean Energy Business

The liquefied gas vessel market has gradually picked up steam over the past two years. On one hand, it benefits from the shipping industry's replacement cycle. According to the Review of Maritime Transportation 2022 (《2022海運評述》), the last peak delivery period for vessels was around 2005 to 2012. Based on a vessel's lifespan of about 20 years, the vessel industry is facing a significant demand for replacement. A recent report released by Clarkson concluded that there will be a demand for USD1.6 trillion in new shipbuilding investment over the next decade.

At the same time, the requirements for environmental protection and emission reduction are tightening. On 1 January 2023, the International Maritime Organization (IMO) issued new environmental regulations, with the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) coming into force. According to Vessel Value's data, based solely on the EEXI energy efficiency indicators, nearly 70% of the capacity of the global mainstream vessel market fails to meet the standards, while the CII carbon indicator requirements are even higher. The introduction of these new environmental protection regulations will accelerate the replacement of old vessels. The rapid growth of global green-powered vessel orders is driving demand for LNG marine tanks. In addition to LNG fuel, clean energy such as hydrogen fuel, methanol and liquid ammonia are becoming new options for the shipping industry in the context of the global trend towards a green and low-carbon transformation.

As a global leader in the niche of small and medium-sized liquefied gas vessels, the Group will fully benefit from the booming shipbuilding industry cycle with its full-spectrum liquified gas vessel construction capabilities and diversified customised fuel tank solution capabilities. It will also continue to promote the green and low-carbon transformation and high-quality development of the shipping industry's energy sources.

Hydrogen Energy Business

Hydrogen energy is an important component of the national energy system in future and a critical carrier for achieving green and low-carbon transformation in energy consumption. It is also a strategic emerging industry and a key direction for future industrial development. Currently, the number of central enterprises that have laid out in the hydrogen energy field has expanded to 46. In April 2023, the NDRC organised and convened a working meeting of the inter-ministerial coordination mechanism for the development of hydrogen energy industry, deploying to accelerate the innovation and industrialization of advanced and applicable technologies, improve the layout of the infrastructure, expand the diversified application scenarios, and promote the commercial development of hydrogen energy. Many provinces, municipalities, and autonomous regions in northern China have been steadily introducing policies to support the development of green hydrogen projects. Thus, the scale and number of such projects are growing rapidly, and some large-scale wind and solar-powered green hydrogen projects have started to be implemented. The segment has already established a whole layout in the hydrogen energy industry chain, and is poised to have new growth opportunities for its hydrogen energy business, benefiting from the booming development of hydrogen energy.

Future Plans and Strategies

Onshore Clean Energy Business

The segment will continue to adhere to the business development strategy of "equipment manufacturing + engineering services + one-stop solutions", to strengthen the full business chain layout of natural gas, LPG and industrial gas, and reinforce its international business presence. It will also expand its innovative demonstration applications for upstream processing and treatment modules, promote the intelligent application of critical energy equipment, optimise the combination of products and business, consolidate and cultivate more champion products, and achieve resource consolidation and integration of its engineering business operations.

Offshore Clean Energy Business

As a leading provider of small and medium-sized liquefied gas vessels and oil-to-gas conversion vessel services, the segment will focus on the offshore storage, transportation, and refuelling fields of liquefied gas. It will carry out the demonstration application of the LNG marine tank-swap solution, provide oil-to-gas conversion solutions for inland navigation groups, and offer small and medium-sized clean energy transportation and refuelling vessels to customers to facilitate their transformation and upgrading to achieve green shipping. The segment aims to consolidate its leading market position in the field of offshore clean energy equipment. In addition, the segment will expand its deployment of green alternative fuels such as green methanol.

Hydrogen Energy Business

The segment will further improve the layout of the "production, storage, transportation, refuelling, and application" of the entire hydrogen energy industry chain, increase research efforts into key core technologies and personnel training, as well as fully promote the R&D and market development of new products including high-pressure gas hydrogen equipment, civilian liquid hydrogen equipment, on-vehicle hydrogen cylinders and supply systems, offshore hydrogen energy equipment, actively build cooperative relationships with industry-leading enterprises, deeply participate in the construction of fuel cell demonstration city clusters, seize new opportunities for innovative development in the hydrogen industry under the "dual-carbon" target, and commit to becoming a leading scientific and technological enterprise in the field of hydrogen energy.

Research and Development

During the first half of 2023, the clean energy segment continuously conducted new product research and development, developed a number of new products and made breakthroughs in some R&D projects. For example:

- Completed the development of the second generation of liquid helium tank containers, and further upgraded the product structure and insulation system, with product specifications reaching the international leading level, and successfully realised bulk sales in the market;

- Completed the design, development and trial production of 45MPa diaphragm hydrogen compressor which has passed the factory validation test, thus initiating the market promotion;

- Completed the design and development of the separate B-type cargo tank for LNG carriers and commenced the construction of the largest separate B-type liquid cargo tank in China, featuring the advantages of high utilization rate and flexible and diversified design, further expanded the segment's business and product line in offshore equipment and engineering;

- Completed the design, installation and commissioning of the first industrial LPG micro-pipeline network project which official operation realised good demonstration results;

- Completed the development of the first domestic phosphine and hydrogen mixer tube bundle container featuring with national leading product specifications and successfully delivered to users, marking a new breakthrough in the field of electronic gas storage and transportation equipment in China; and

- Developed and completed the largest volume and lightest overall weight carbon dioxide transportation semi-trailer in China, with tank volume of $30m^3$ and a weight reduction of 1,020 kg.

The segment also had a number of projects initiated and promoted in the first half of the year, including methanol-to-hydrogen equipment, natural gas-to-hydrogen skid-mounted equipment development, CCUS key technologies and equipment, marine engine monitors, etc.

In order to promote sustainable and healthy development, the segment is actively expanding its development projects in the new energy field and has made significant progress in the areas of hydrogen energy equipment and standards and regulations. For example:

- Completed the development of ASME standard liquid hydrogen tank container to provide more solutions for liquid hydrogen storage and transportation;

- Spearheaded the completion of the first domestic "Group Standard for Transportable Liquid Hydrogen Storage and Transportation Vessels (《移動式液氫儲運容器團體標準》)", filling the blank of relevant industry standards for transportable liquid hydrogen pressure vessels;

- Spearheaded the completion of the first domestic group standard "Special Technical Requirements for Compressed Hydrogen Aluminum Carbon Fiber-wrapped Cylinder-Style Container (《壓縮氫氣鋁內膽碳纖維全纏繞瓶式集裝箱專項技術要求》)", creating a new mode of hydrogen storage and transportation, to contribute to the promotion of the development of hydrogen energy storage and transportation equipment;

- Completed the design, manufacture and prototype testing of liquid hydrogen storage tanks, and successfully signed the first product order;

- Successfully launched 1,200Nm^3/h alkaline electrolyser, and all technical parameters of the product are at the leading level in the industry;

- Completed the first domestic compliance review of liquid hydrogen tank truck and liquid hydrogen spherical tank, and commenced construction of liquid hydrogen tank truck; and

- Completed the development of the first mobile skid-mounted hydrogen combined heating and power supply equipment in China, effectively improving energy utilization efficiency.

Chemical and Environmental

The main operating entity of this segment is CIMC Safeway Technologies Co., Ltd. ("**CIMC Safe Tech**") which specialises in the research and development, manufacture and sales of a wide range of tank containers for chemical liquids, liquefied gas and powder commodities. It also provides after-market services such as maintenance, cleaning, refurbishment and renovation for tank containers, and provides customised intelligent services about tank container based on IoT technology. Meanwhile, leveraging its strong manufacturing capacity and well-established quality control system, this segment possesses the capacity to manufacture medical equipment components which are widely applied in the area of magnetic resonance imaging equipment. In addition, this segment is actively exploring business in the area of environmental protection.

With the international logistics becoming smooth gradually, a balance between global demand and supply of tank containers has been achieved and demand for new containers gradually returned to normal level. Booming new energy and chip industries continued to boost the demand in the special tank container market, and the demand for railway tank containers for dangerous goods in the domestic market increased once again. This segment adheres to the ideal of green development and is actively committed to the implementation of energy saving, emission reduction and environmental protection projects. In order to achieve the deep reduction and management of VOC emissions, this segment has launched the whole process management and control including source substitution, procedure control and end treatment. After lots of demonstrations and experiments, this segment has invested substantially to build the first powder coating line in the global tank container industry which was put into trial operation in the second quarter of 2023, so as to carry out "oil-to-powder" source substitution and reduce the amounts of VOCs generated at the source. The implementation of the project has greatly reduced VOC emissions of the Company and played a positive demonstration role in the tank container manufacturing industry, leading the green development of the industry. At the same time, following the strategic planning of "Manufacturing + Services + Intelligence, to provide customers with full life-cycle services", the segment actively expanded its after-sales services and intelligent product business by focusing on customers' needs and pain points, and provided various digital products to improve customers' purchasing experience through manufacturing servitization and standard procedures. The segment continued to provide cooling transportation monitoring solutions for electrolytes in the new energy industry. At the appraisal conference organised and held by the Industry and Information Technology Department of Jiangsu in Nantong, the "Tank Container Status Digital Monitoring Technology" of CIMC Safe Tech was appraised to be at leading position internationally.

On 27 July 2023, CIMC Safe Tech was approved by the CSRC to make the initial public offing in A-share Market and will be listed on the ChiNext board.

Prospects

Tank container is a kind of safe and efficient chemical logistics equipment. In the long run, the gradual promotion of multimodal transport policy, stricter chemical safety requirements and trans-regional investments in the chemical industry will help improve the penetration rate of tank containers in the chemical logistics area and promote the continuous growth of the chemical logistics industry, thus driving the tank container industry and market to maintain a rising trend in the long run. On the other hand, carbon emission constraints and subsidies for new energy have promoted the rapid increase in the penetration rate of new energy vehicles. According to the statistics from EVtank, the global shipments of lithium-ion battery electrolyte solvents reached 924,000 tons in 2022, representing a YoY increase of 73%. In addition, according to statistics from the Semiconductor Industry Association (SIA), global semiconductor sales in 2022 continued to grow compared with 2021, reaching a record of USD573.5 billion. Driven by prosperous prospects of electrolytes and semiconductors, the demand for electrolyte tank containers and high-end inner liner tank containers will continue to grow. Global warming and rising temperature will also drive the demand for refrigerants, which will in turn promote the market growth of related chemical tank containers. Looking forward, this segment will continue to benefit from the opportunities bought by the booming international and domestic chemical logistics markets.

Future Plans and Strategies

This segment will continue to increase its investment in the research and development of technology around the strategic target of transforming and upgrading to the advanced manufacturing industry, and vigorously expand the application fields of tank containers while consolidating its leading position in the tank container market. Through the establishment of all-round and full life-cycle customer partnership, upgrading of production line manufacturing capacity and excellent operation, the segment is devoted to its digital transformation and upgrading further in an all-around way to further consolidate the comprehensive competitiveness of the tank container business and always keep the attitude and shoulder the responsibility as an industrial leader. Meanwhile, the segment actively improves the intelligence of products, and uses the IoT technology to help customers improve operational efficiency and achieve intelligent logistics. The segment will accelerate its global layout, further boost its brand recognition, enhance its competitiveness and increase its market share, while providing customers with better value-added service experience, so as to further improve customer satisfaction and loyalty.

Research and Development

This segment is committed to the continuous innovation of functional components for tank containers, and has developed a new type of anti-wave board, extended safety ladder, tank containers electrical integrated remote control system and automatic filling equipment of tank containers, etc. This segment also actively expanded in the areas of IoT and sensors, and has successfully developed magnetostrictive liquid level sensors to meet the demand for high-precision measurement scenarios. An explosion-proof glycol heating system has been developed and upgraded to meet the safety requirements of flammable and explosive places, and mass production has been achieved.

This segment is devoted to exploring the application of new technology, new process and new material, and actively responding to the national green and environmental protection policies. Powder coating technologies with zero VOC emissions have been applied practically. It continued to carry out the research and application of environmental-friendly thermal insulation materials and actively expanded the application of new technologies such as laser welding and thin-wall welding in products.

Meanwhile, this segment vigorously promoted the "intelligent renovation and digital transformation" and leveraging on the construction project of "green and flexible lighthouse factories for special tank containers", carried out the research and application of automatic and digital technologies of production lines.

Liquid Food

This segment specialises in the design, manufacturing and delivery of stainless steel tanks and process equipment for various industries such as beer, distilled spirits, hard seltzer, baijiu, fruit juice, Ready To Drink beverages (RTDs) and biopharmaceuticals. The segment possesses globally reputable and leading brands Ziemann Holvrieka, Briggs, DME, and McMillan, with major manufacturing plants in Europe and China.

In the first half of 2023, the market for equipment solutions in the beer, distilled spirits, and other liquid food industries progressed normally. Numerous positive signs in the market were experienced despite several delays in investment decisions were visible. The segment witnessed several new and promising prospects emerging during this period. These included opportunities arising from capacity expansions, increased demand for advanced technologies and sustainable solutions.

During the period under review, numerous projects were being executed, including the following highlighted projects: turnkey beer & tequila projects in Mexico, large tank farm Inhalant mixing systems for the pharma industry, 'Brewstillery' integrating new pilot distillery connected to existing breweries, brewery automation project in the USA, new whiskey distillery project in China, and large scale brewery projects in Thailand & USA.

Prospects

With its expertise in designing, manufacturing, and project engineering of liquid food processing equipment, the segment drives integrated solutions forward for the beer, distilled spirits, juice and various other industries. This accomplishment is a result of the segment's experience in global project delivery, strong technical capabilities, and continued commitment to superior quality. The industry associated with this segment is projected to experience long-term growth on a global scale. This, in combination with increased customer interests in technological advancement and sustainable solutions, puts the segment in a favorable position to ensure sustained future growth.

The worldwide beer market is expected to grow annually by 5.44% during the period 2023–2025 according to Statista's report. The continuous growth in demand for brewery equipment is fueled by GDP growth in emerging countries, the rising preference for craft and premium beer and new beer types with lower calories or less alcohol.

While consolidating its leading position in the brewing and distillation equipment industry, the segment has been committed to exploring new areas such as Baijiu and alternative proteins to diversify its revenue.

With the world's leading turnkey project capability in the alcohol industry, the segment will continue to focus on and seize the upgrade opportunities for the carbon neutral transformation of global and domestic plants and parks for Baijiu, craft beer, bio-pharmaceutics, beer and spirits, aiming to increase the revenue contribution percentage from China market.

Future Plans and Strategies

Looking ahead, the liquid food segment will continue to consolidate its leading position in beer and distilling sectors, expand business opportunities in non-beer business such as distilled spirits, hard seltzer, baijiu, juice, dairy products and biopharmaceuticals horizontally, and strive to become a global leader in stainless steel storage tanks, processing equipment manufacturing and turnkey projects of various liquid food segments.

In addition, the segment will also pay close attention to the incremental market space brought about by the carbon neutral transformation of its client base and continue to develop new technologies and products to provide integrated engineering, construction and equipment services for the green transformation and upgrading of liquid processing production plants.

Research and Development

The liquid food segment has continued to focus on the research and development and in-depth development of a series of liquid food equipment products. These investments focus on lowering the production costs of our customers by developing machines that are more efficient in the use of water, energy and other resources and are more effective in terms of the overall performance both in yield and quality. Recent initiatives included the improvement of the existing products in order to increase efficiency and optimise energy consumption as well as on the development of sustainable solutions. Briggs in the United Kingdom is currently exploring the development of industrial complex distillation systems. Additionally, the R&D teams worked on mechanical vapor recompression solutions for the Scottish whiskey industry, supporting our customers to save their energy costs and to contribute to their sustainability targets. Besides the development of holistic energy concepts for breweries, the R&D teams also focused on optimization of individual process steps like lautering and boiling.

It also deeply participated in the upgrading and transformation of Chinese Baijiu industry technology, with research and development of technology and equipment for the whole Baijiu industry chain, in which, it focused on the equipment for key processes such as the grain processing system to improve the utilization of grains which benefits agrifood preservation and food chain. Our products include grain raw material handling systems and complete Baijiu automatic brewing distillation lines. We continuously develop our Baijiu technologies through dedicated R&D efforts on distilling, robotic, qu/koji handling and stacking equipment, filtration of the distilled baijiu liquid, soil-free filtration together with intelligent storage and blending systems.

In addition, the segment has also actively expanded into the technology development of other liquid food businesses, such as industrial scale fermenters and bio reactors to support the growing request for the production of alternative proteins through precision fermentation, which is expected to generate sales to drive revenue growth in the future.

CORPORATE GOVERNANCE

The Company complied with all the code provisions of the Corporate Governance Code set out in part 2 of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), throughout the six months ended 30 June 2023.

The latest corporate governance report of the Company is set out in the Annual Report 2022. Details of each of the audit committee, the remuneration committee, the nomination committee and sustainable 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 six months ended 30 June 2023, the trustee of Share Award Scheme (2020) did not purchase any shares on the Stock Exchange pursuant to the terms of the trust deed under the Share Award Scheme (2020).

Saved as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2023.

DIRECTORS

As at the date of this announcement, the Board consists of Mr. Gao Xiang (Chairman) as non-executive Director; Mr. Yang Xiaohu (President) as executive Director; Mr. Yu Yuqun, Mr. Zeng Han and Mr. Wang Yu as non-executive Directors; and Ms. Yien Yu Yu, Catherine, Mr. Tsui Kei Pang, Mr. Wang Caiyong and Mr. Yang Lei as independent non-executive Directors.

By order of the Board
CIMC Enric Holdings Limited
Gao Xiang
Chairman

Hong Kong, 23 August 2023

The Interim Report 2023 will be dispatched to the shareholders and published on the websites of the Company and the Stock Exchange as soon as possible.