CIMC ENRIC

[For Immediate Release]

Revenue increased by 23.8% to RMB4,626 million for 1H'2017
Profit attributable to Equity Shareholders up 107.5% to RMB74.8 million

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(Hong Kong, 22 August 2017) - CIMC Enric Holdings Limited ("CIMC Enric" or the "Company", together with its subsidiaries, the "Group") (Stock code: 03899.HK) announces its interim results for the six months ended 30 June 2017.

Mr. Gao Xiang, Chairman of CIMC Enric said, "With the rebound of international oil price since the second half of 2016 and favourable policies announced by the PRC Government, the demand for LNG equipment increased during the first half of 2017. Therefore, the Group's energy equipment segment recorded a surge in revenue in the period. The rise in demand for standard tank containers caused the chemical equipment segment to post an increase in revenue during the period, despite a slight decline in special tank containers' revenue. The liquid food equipment segment's revenue slightly increased during the period mainly due to inorganic growth brought on by the acquisition of Briggs Group Limited in June 2016. As a result, the revenue for the first half of 2017 rose by 23.8% to RMB4,626,306,000 (corresponding period in 2016: RMB3,737,502,000)"

Impairment Provision

On 5 July 2017, an indirect wholly-owned subsidiary of the Company as purchaser, SinoPacific Offshore & Engineering Co., Ltd. ("SOE") and the receiver entered into restructuring investment agreement, pursuant to which the purchaser as the restructuring investor offered to purchase the major assets of SOE through acquiring the shares, representing the entire equity interest in SOE for a consideration of RMB799,800,00 (the "Acquisition"). The restructuring plan related to the Acquisition has been approved by the SOE's creditors at the creditors' meeting and subsequently approved by the PRC court under relevant laws of PRC on 4 August 2017. On 15 August 2017, SOE has become an indirect wholly-owned subsidiary of the Company pursuant to both the restructuring investment agreement and the restructuring plan and the name of SOE has been changed to "南通中集太平洋海洋工程有限公司" (Nantong CIMC SinoPacific Offshore & Engineering Co., Ltd.*). Further details were disclosed in the announcements of the Company dated 5 July 2017, 4 August 2017 and 16 August 2017 respectively.

As a result, an additional provision for impairment provision of RMB105,549,000 was made based on repayment capability analysis provided by the receiver for the period of six months ended 30 June 2017.

Operational Performance

Profit attributable to equity shareholders of the Company increased by 107.5% significantly to RMB74,779,000 (corresponding period in 2016: loss attribute to equity shareholders RMB1,001,960,000). Basic earnings per share was RMB0.039 (corresponding period in 2016: basic loss per share RMB0.517) and diluted earnings per share was RMB0.038 (corresponding period in 2016: diluted loss per share RMB0.517).

During the first half of 2017, the energy equipment segment's revenue rose by 49.7% to RMB2,164,153,000 (corresponding period in 2016: RMB1,445,660,000) because of a rise in the demand for LNG equipment which was caused by a soar in demand for LNG powered heavy duty trucks in China as well as the favourable government policies aimed to boost natural gas consumption.

The chemical equipment segment's revenue increased by 9.3% to RMB1,363,939,000 (corresponding period in 2016: RMB1,248,365,000) due to an increase in the sales volume of standard tank containers which more than offset the slow down in demand for special tank containers during the period.

The liquid food equipment segment's revenue posted a moderate rise of 5.2% to RMB1,098,214,000 during the period (corresponding period in 2016: RMB1,043,477,000) mainly due to inorganic growth.

Prospects

The global economy continued to show improvements during the first half of 2017. Developed economies enjoyed stable recovery in general, with improved sentiments in the USA, Eurozone and Japan, while China and India continued to lead the way in the growth among the emerging economies. However, economic recovery remained imbalanced globally and strong structural growth has yet to be seen. The global economy will continue to face uncertainties arising from elections in a number of European countries, geopolitics, U.S. Federal Reserve rate hikes and debts of the emerging markets, and downside pressure will persist in the second half of the year. According to the estimates of the International Monetary Fund, gross domestic product (GDP) on a global basis will increase by 3.5% in 2017 in accelerated growth compared to 2016.

Figures announced by the National Bureau of Statistics of China indicated that the country reaped a 6.9% GDP growth for the first six months of 2017, which was higher than the growth target previously set by the government. Looking forward, the economic landscape will remain complicated as the Chinese economy enters the "New Normal" phase while regional trade protectionism is growing around the world. Nevertheless, the globalisation trend is hardly reversible, while China's further reforms and "Belt and Road" Initiative have come into force. The move towards low-carbon living will continue to drive the demand for equipment and engineering services relating to clean energy and green logistics. The continuous emergence of new technologies, markets and business models will present new opportunities for the Group.

In order to seize opportunities in tandem with macro-economic developments, the Group will reinforce its prudent operation and optimisation of its existing business, so as to strengthen its core business. In the future, we will pursue the central objective of seeking "quality development" with a resolute commitment to our core business of "equipment manufacturing + project engineering services + integrated solutions" as the main development path. We will enhance our operating standards through globalisation and specialisation and drive the development of new businesses through innovation, in order to sustain the momentum and quality of growth.

First of all, the Group strives to promote the modernisation of equipment and project engineering in the energy, chemical and liquid food industries. Currently, we have developed the ability for large-scale industrial equipment, standardised and scale production and engineering, procurement and construction ("**EPC**") capability for large-scale energy and chemical projects, with solid foundation in supply-chain management, cost management, production operation and process innovation for the manufacturing sector. Moreover, in line with trends in global manufacturing, the Company will move towards integrated solutions in a market-oriented and customer-oriented approach on the back of product manufacturing and project engineering services, with a view to driving the development of its existing business. In addition, we will enhance our innovation mechanism, and will focus on natural gas maritime transportation, oil and gas modules, natural gas distributed power generation and LNG tank container multimodal transportation. The Group will continue to grow through new businesses, new technologies and innovative business models.

Energy equipment

The prospects of petroleum-related industries are declining under the global trend of low carbon and clean energy, although new energies have yet to grow into major energy sources. In contrast, natural gas is enjoying broader prospects for development on a global scale, especially in China, where environmental protection and smog treatment have become priority tasks. The market-oriented reform of the natural gas sector will also promote the development of natural gas as a clean energy. Since the fourth quarter of 2016, the Chinese government has promulgated a series of policies favouring the development of natural gas, including the "13th Five Year Plan for Natural Gas Development" (《天然氣發展「十三五」規劃》), "Certain Opinions on Further Reforms of the Petroleum and Natural Gas Regime" (《關於深化石油天然氣體制改革的若干意見》) and "Opinion on Expediting the Progress of Natural Gas Utilisation" (《加快推進天然氣利用的意見》). Such documents have established the goal of developing natural gas into one of China's main energy sources and called for the implementation of important tasks including the promotion of natural gas utilisation in general, progress of natural gas pricing reforms and upgrade of financial support. Such policies will provide a significant driving force for the development of China's natural gas sector in the future.

According to figures released by the National Energy Administration, China's natural gas consumption for the first half of 2017 amounted to approximately 114 billion cubic metres, representing a year-on-year growth of approximately 11.7%, the first double-digit growth recorded in two years. Given the environmental benefits of natural gas versus other fossil fuels and the supportive policies of the Chinese government, the Group remains confident in the long-term prospects of the natural gas industry in China. Driven by the substantial increase in the sales of natural gas-powered heavy trucks in China, the Company reported notable growth in LNG equipment orders and results for the first half of 2017.

According to the "Opinion on Expediting the Progress of Natural Gas Utilisation" jointly issued by the National Development and Reform Commission ("**NDRC**") and 12 other government authorities in June 2017, the consumption of natural gas as a percentage of primary energy consumption will increase to approximately 10% by 2020, hence the natural gas industry expects immense growth potential in the future. With the widening price gap between oil and gas following the recent rebound in oil prices, the economic benefit of natural gas has become more evident, and such developments have also stimulated the demand from midstream and downstream industries. Moreover, the "Implementation Scheme on Air Pollution Mitigation for Beijing, Tianjin and Neighbouring Areas 2017" (《京津冀及周邊地區2017年大氣污染防治工作方案》) jointly issued by the NDRC and other provincial and municipal authorities in March 2017 has stipulated measures for coal-to-gas heater and oil-to-gas vehicle conversions. Investments in related infrastructures and equipment are expected to drive the demand for products and services of the energy equipment segment.

Douglas-Westwood projects global capital expenditure on floating LNG facilities to reach a total of USD41.6 billion for 2017 to 2022, compared with USD11.4 billion for 2011 to 2015; therefore apart from carrying out marketing strategies in the China market, the energy equipment segment will look for more growth opportunities in overseas markets.

After years of development, the Group now possesses integrated capabilities in design, engineering, equipment consolidation and equipment application covering upstream, midstream and downstream sectors in clean energy and has developed a business network covering the entire natural gas value chain. With the stable growth of its core business of natural gas equipment and project engineering, the Group will closely monitor development opportunities in the natural gas industry. We will actively explore businesses in natural gas maritime transportation and oil and gas modules, while developing natural gas-based clean energy fuel storage and transportation as well as natural gas distributed power generation. We will also vigorously explore businesses along the clean energy value chain.

In tandem with the ongoing development and expansion of the natural gas industry, the Company's energy equipment business should see stable growth.

Chemical equipment

In the past few years, lessors in the global market have invested heavily in chemical tank containers, resulting in record-high demands for the product. Growth in the demand for tank containers attributed to both organic growth and replacement orders. While the actual quantity might vary from year to year, the overall demand generally remains stable. In the long run, as the global economy gradually stabilises and emerging markets continue to develop, the global chemical industry is expected to sustain a stable growth over the longer term. As such, tank containers will enjoy an increasingly distinctive advantage over other forms of logistics.

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 and increasing concern for safe, efficient and eco-friendly transportation of hazardous goods. These will drive the sustained growth of the global tank container market. All in all, with the rise in inter-regional trade of chemicals in the international market driving the gradual recovery of global investments in chemical products, the green logistics mode with higher level of security, cost-effectiveness, eco-friendliness and smart applications will become the new market trend. 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 post significant growth.

The Group will actively promote the general application of safer and more efficient equipment and technologies for the storage and transportation of hazardous chemicals in order to consolidate its leading position in the global market, as well as develop new, IOT ("Internet of things")-based transportation modes for tank containers to improve its after-sales capabilities for the full life cycle of the product. To reinforce its leading position in the tank container market, the segment will introduce innovative manufacturing technologies, adopt cost management measures and optimise its production methods so as to improve its production efficiency and bolster its competitiveness. Elsewhere, the segment will further develop its business in after-sales services, such as tank container depot, tank container repair and maintenance, etc. Meanwhile, the business of "IOT + tank containers" will also be pursued with the launch of a centralised platform for monitoring, managing and servicing throughout the full life cycle of the tank containers, aiming to provide better services and solutions for the operation and management of our customers' tank containers.

Liquid food equipment

Global beer consumption had fallen into negative growth since 2014 in line with lackluster retail spending amidst the slowdown in macro-economic growth. Nevertheless, after three years of decline in the volume of beer production and industry corrections, China's brewery sector started to pick up and revert to structural growth in 2017. Given ongoing population growth and rising living standards, the global liquid food equipment market is expected to enjoy stable growth with an estimated annual average growth rate slightly higher than the global GDP growth rate, with Asia, Latin America and Africa accounting for the majority of such growth. Moreover, with improved living standards and higher health awareness, there will be an increasing demand for safe and healthy food, including liquid food such as dairy products and fruit juice. As a result, the Group's liquid food equipment business will see more opportunities for expansion.

Through the renowned brands of "Ziemann Holvrieka" and "Briggs", the Group possesses competitive strengths derived from world-leading capabilities in the manufacturing and project engineering of beer saccharification and brewery equipment, proven business results and global brand influence. Meanwhile, the diverse geographic locations of production facilities in Europe and China has afforded a solid ability in general coordination over global production, procurement, operation and regional marketing.

In the future, the business 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 the beer production chain and horizontally liquid food businesses, leveraging its core technologies and strengths in EPC contracting. In 2016, the acquisition of Briggs Group Limited, with headquarters located in the U.K., has enabled the business segment to tap into distillation, fermentation and pharmaceutical manufacturing sectors on a global basis, as well as to provide process design and turnkey project engineering services for certain sub-sectors. Hence, the segment will actively explore business development in these new sectors in the future, striving to generate more opportunities for revenue and profit growth.

Mr. Gao concluded "Thanks to the shareholders, customers, suppliers and business partners for their confidence and support and thanks to the management and employees for their dedication and contribution. The Group will strive to become a world-leading manufacturer of specialised equipment and provider of project engineering services in energy, chemical and liquid food industries. The Group firmly believes that the combination of the Group's key strategies and diversified business model will create sustainable and long-term value to shareholders."

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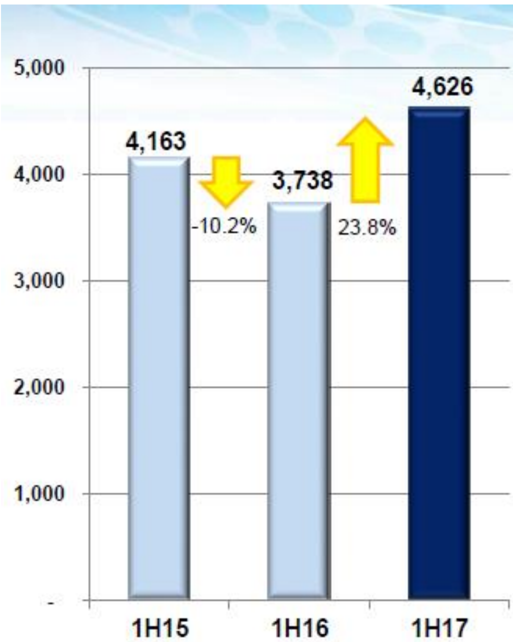
Financial Highlights

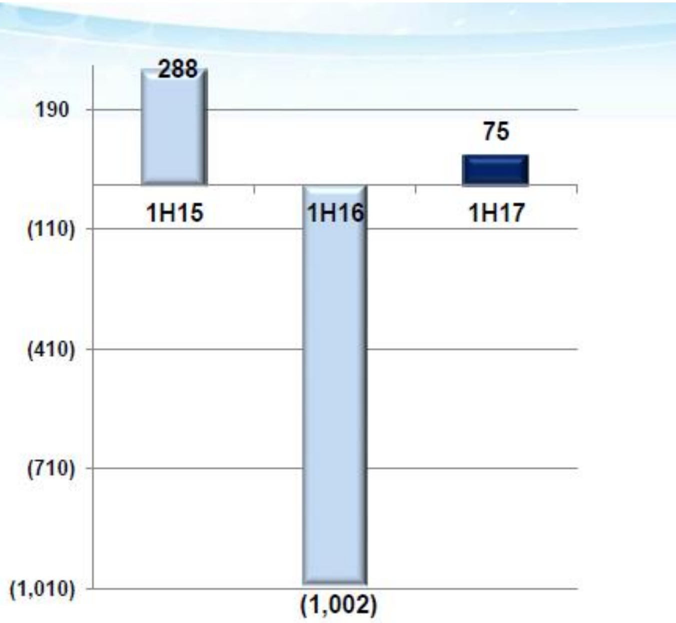
RMB'000	Six months ended 30 June **2017**	2016	**Change**
Revenue	**4,626,306**	3,737,502	**+23.8%**
Gross profit	**747,199**	669,970	**+11.5%**
Profit from operations	**296,217**	314,288	**-5.7%**
Profit /(loss) for the period	**76,610**	(1,009,039)	**+107.6%**
Profit /(loss) attributable to equity shareholders	**74,779**	(1,001,960)	**+107.5%**
Earnings/(loss) per share – basic	**RMB0.039**	(RMB0.517)	**+107.5%**
Earnings/(loss) per share – diluted	**RMB0.038**	(RMB0.517)	**+107.4%**
Net asset value per share	**RMB2.812**	RMB2.737	**+2.8%**

RMB million



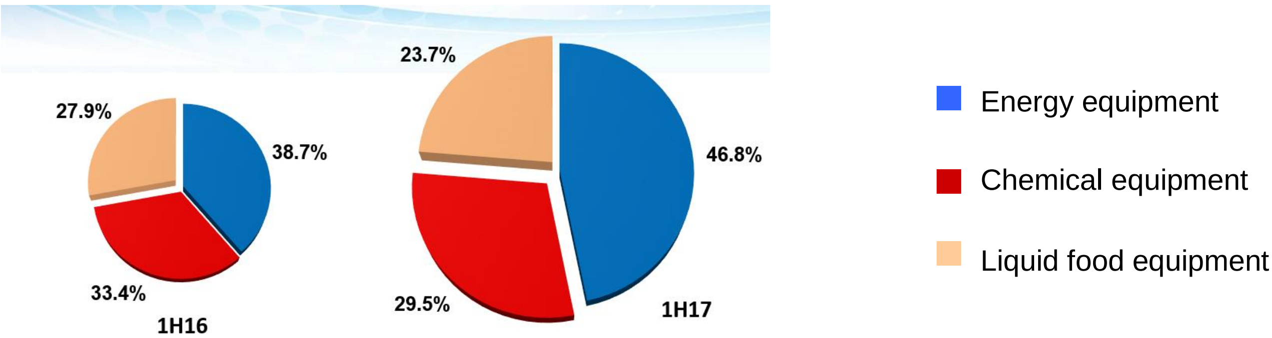
Revenue

RMB million



Profit attributable to shareholders

Sales by Business Segments



CIMC Enric Holdings Limited

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

Key products of each segment include: CNG seamless pressure cylinders, on-vehicle LNG fuel tanks, CNG and LNG trailers, LPG trailers and tanks and natural gas refueling station systems in the energy equipment segment; tank containers for chemical liquids, liquefied gas and cryogenic liquids in the chemical equipment segment; and stainless steel processing and storage tanks in the liquid food equipment segment. Project engineering services are also provided by the both energy equipment segment and liquid food equipment segment.

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The announcement of the interim results for the six months ended 30 June 2017 is available at the Company's IR portal at www.irasia.com/listco/hk/enric.