

CIMC ENRIC

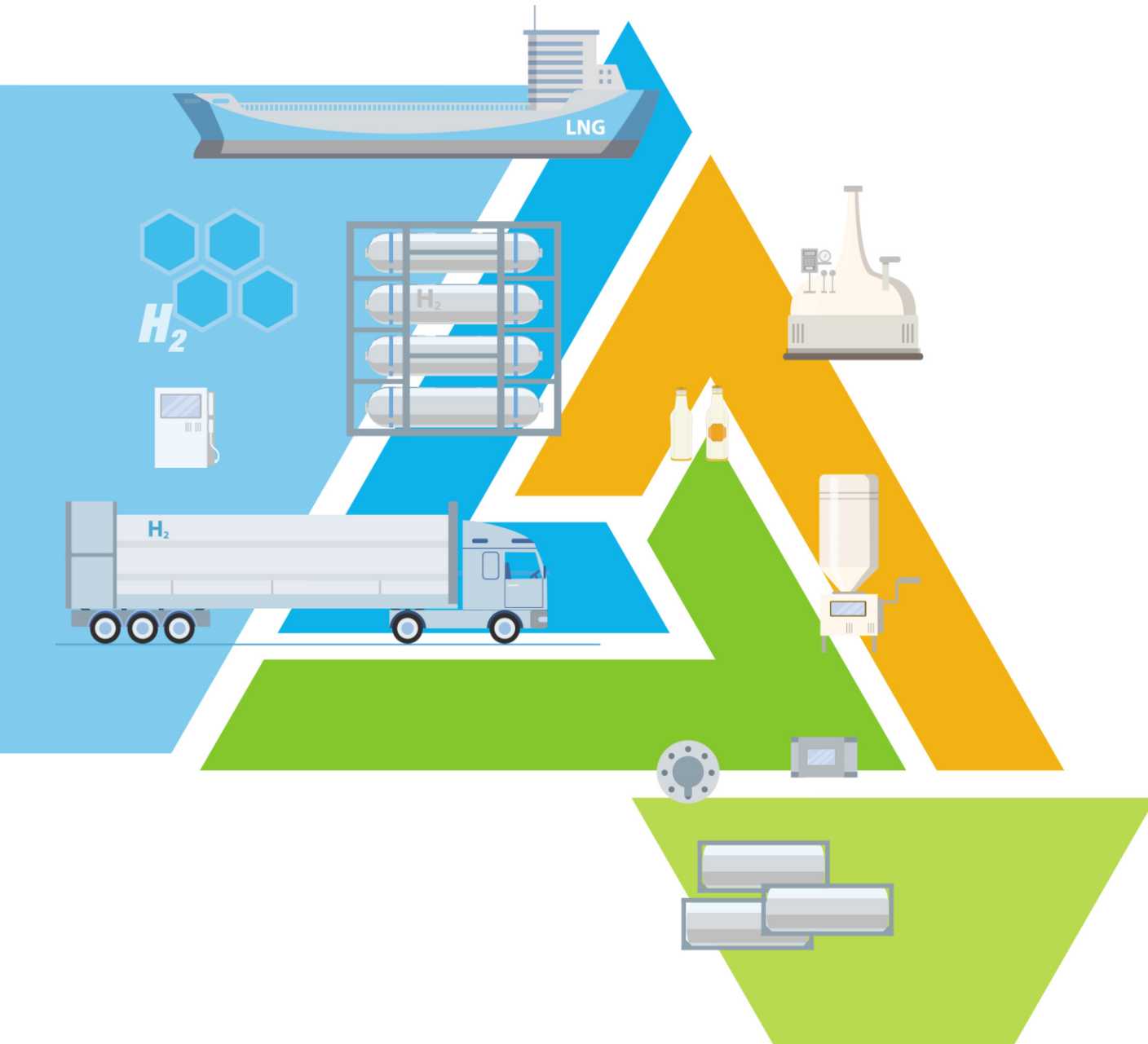
中集安瑞科控股有限公司

2021

Annual Results

English Version

2022.03.23





Contents

1. Snapshot of Results
2. Financial Review
3. Business Review & Outlook





Clean Energy

- Rapid growth in revenue, with core products maintaining a leading position
- Steady progress in micro-pipe network demonstration business in rural areas
- Strategic demonstration breakthroughs of oil-to-gas vessel conversion in inland waterway
- hydrogen business revenue, with extension cooperation to promote the overall layout of key equipment, core processes and demonstration applications of "manufacturing, storage and distribution + scenario application"

Technological Innovation Intelligent Interconnection Quality Growth

Substantial increase in revenue and net profit

- Revenue and core profit increased substantially
- Operating cash flow amounted to RMB 0.43 billion
- ROE was significantly up to 11.4%
- The Board proposes a dividend of HKD0.21 per share, and the dividend payout ratio would be 40%.



Chemical and Environmental (CIMC Safeway Tech)

- Substantial Revenue growth Continuous growth in orders of standard and special tank containers
- The global tank container market champion for consecutive years
- Acceptance of CIMC Safeway Tech's application for listing on the ChiNext Market by the Shenzhen Stock Exchange



Liquid Food

- Won orders from multiple places, while made sound progress in many projects undertaken
- Received orders for Baijiu worth over RMB 100 million
- Delivered Asia's largest whisky factory to client.

In 2021 the R&D investment exceeded RMB 525 million (2020: approximately RMB 359 million), accounting for 2.85% of total sales (2020: 2.92%).

During the year, the Group obtained 130 new patent rights, and won 2 China Patent Excellence Awards.



LNG, LPG and Other Gases

- Development and production of key storage and distribution equipment for urban LPG micro-pipe network supply system
- Completed the production and type testing of liquid helium tank container prototype, realizing the manufacture of the first large liquid helium storage and distribution equipment in China
- The prototype design and production of the cold energy utilization equipment, and completed the scheduled test in an orderly manner



Hydrogen

- Made significant progress in the R&D of liquid hydrogen tankers and spherical tanks
- The enterprise standard of liquid hydrogen fixed tanks passed the compliance testing of the cryogenic vessels sub-committee of China Standardization Committee on Pressure Vessels
- Completed the R&D of ultra-high pressure 103MPa hydrogen storage containers and 30MPa hydrogen tube vessels



Thousand Wells Demonstration Project: Let "Gold" Spring up from an Isolated Well

Wellhead gas refers to the natural gas left over from the oil and gas extraction process that is not connected to a network for external transportation. With our liquefaction modules, storage equipment and customer resources, we provide an integrated solution to effectively recycle wellhead gas, making effective use of resources that would otherwise be uneconomical.



Comprehensive bunkering station integrated with gas, oil and hydrogen

Amphibious bunkering station



Xijiang Demonstration Project of Cement Tank Vessel Conversion

We provide LNG-powered supply system, security system and bunkering service for 20 LNG-powered cement tank vessels invested and operated by CIMC Logistics



Contents

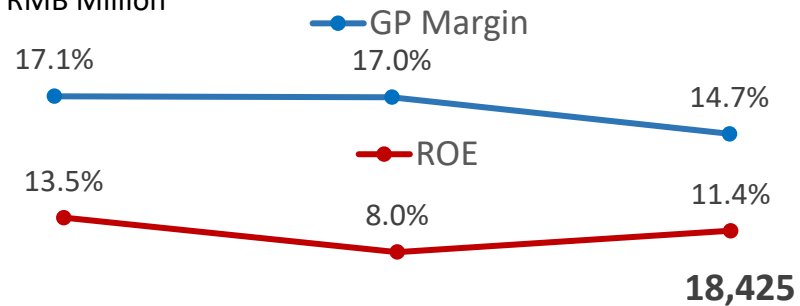
1. Snapshot of Results
2. **Financial Review**
3. Business Review & Outlook



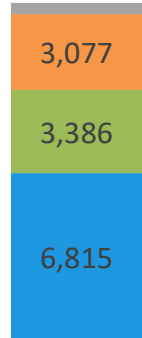


Revenue increased by 49.9% YoY

Unit: RMB Million

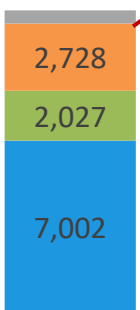


13,743



2019

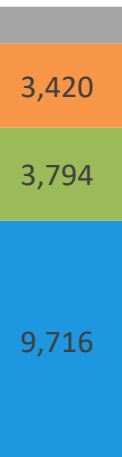
12,290



2020

49.9%

18,425

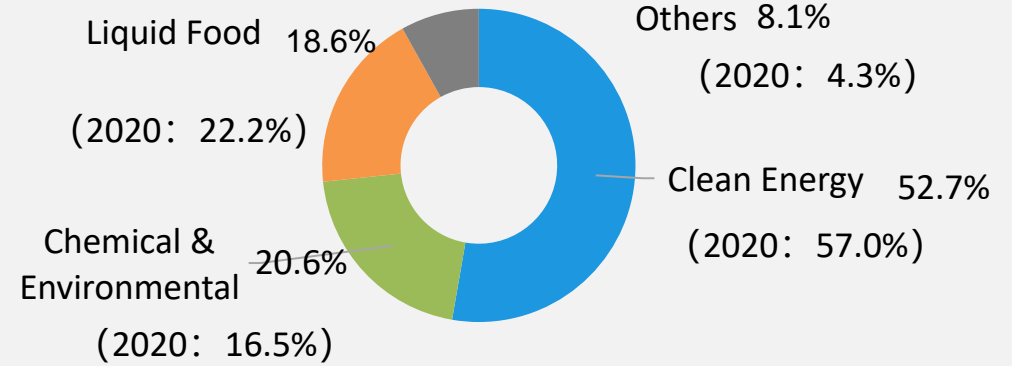


2021

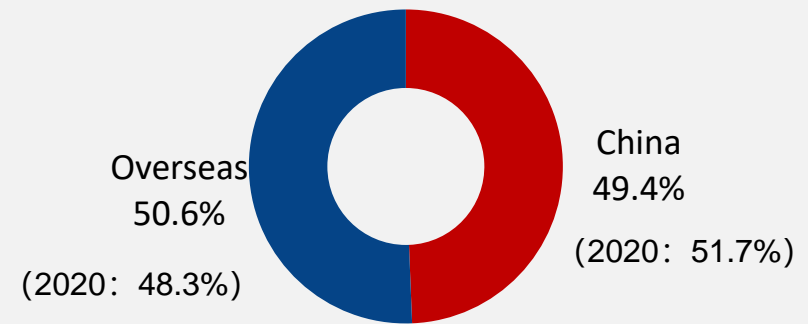
■ Clean Energy ■ Chemical & Environmental
■ Liquid Food ■ Others

CIMC Enric's Capex in 2021: RMB 986.9 million

Revenue Breakdown by Segment



Revenue Breakdown by Geographic Location



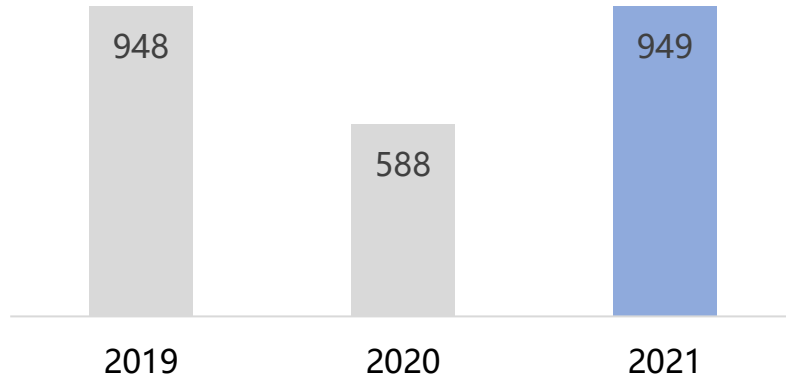
*All the financial figures mentioned are accounted by RMB



Net Profit and ROE Recorded a Promising Growth

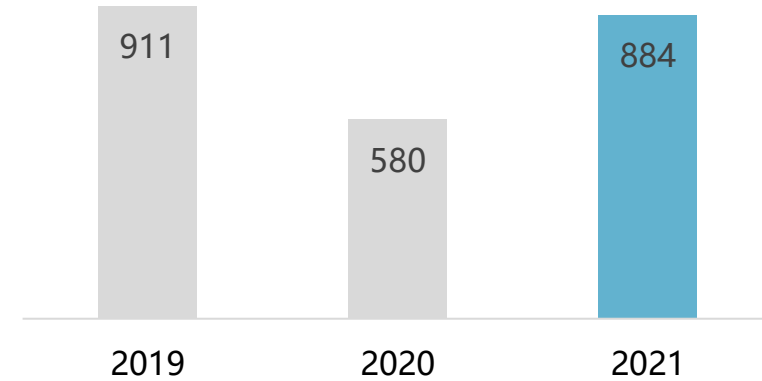
Core Profit grew by 61.4% YoY

Unit: RMB Million



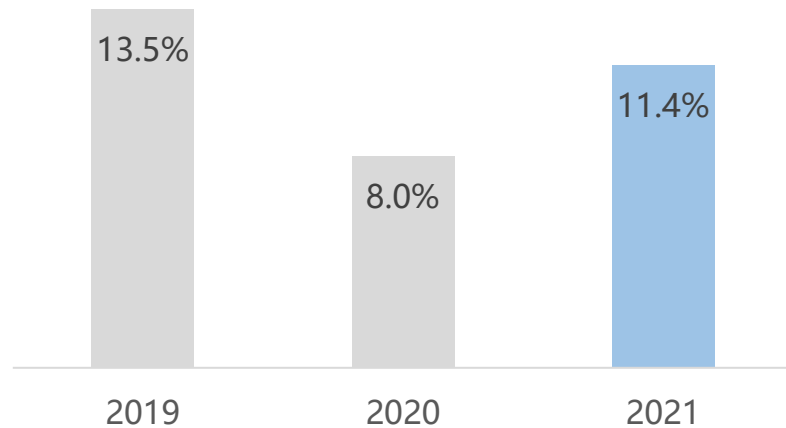
Net Profit Attributable to Shareholders increased by 52.4% YoY

Unit: RMB Million



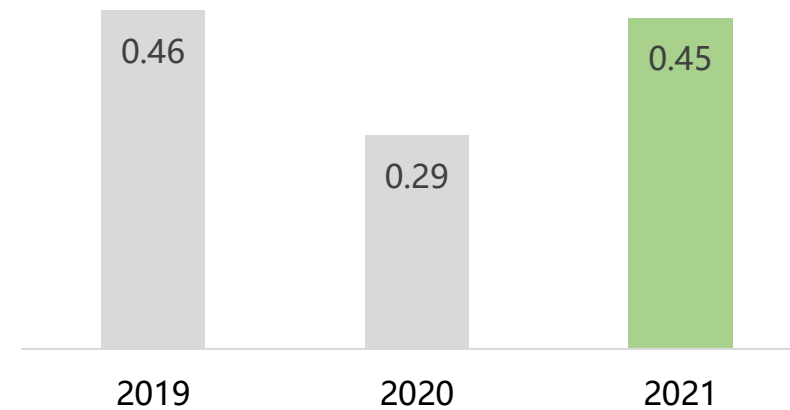
Return on Equity (ROE)

Unit: %



Basic Earnings per Share rose by 52.6% YoY

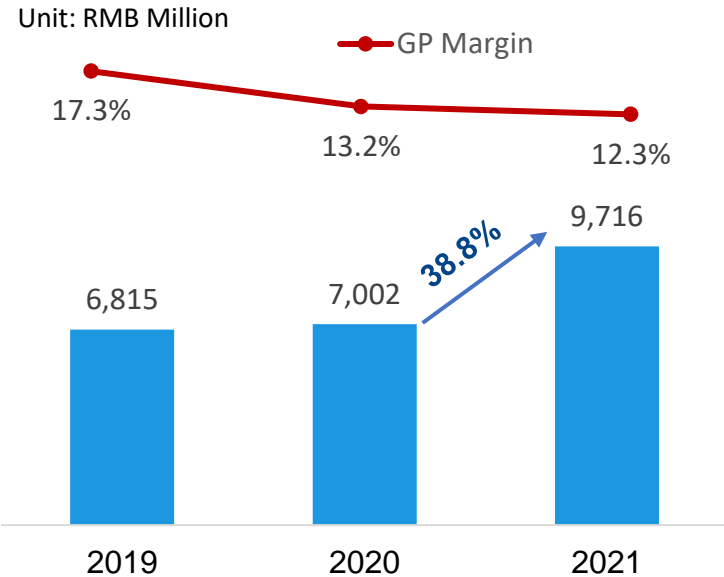
Unit: RMB



- Core Profit: Profit for the year but stripping out amortisation of share award scheme expense and CB related finance expenses
- Revenue from three business segment saw a significant growth, with operating profit and net profit attributable to shareholders increasing steadily YoY. ROE increased and profitability improved.



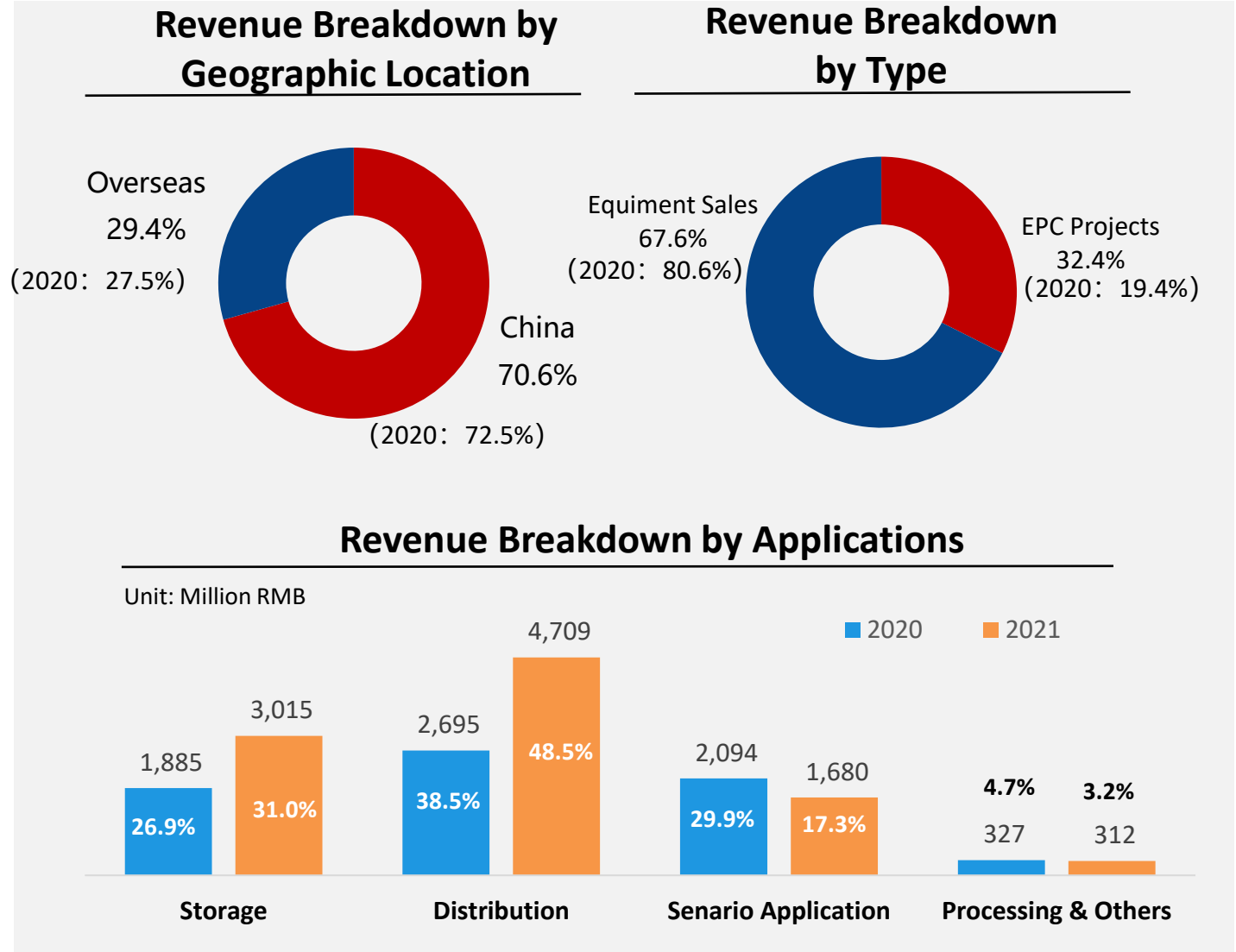
Clean Energy Segment's Revenue increased by 38.8% YoY



Revenue from Hydrogen Business in 2021: **RMB 174.5 million**

Champion Products:

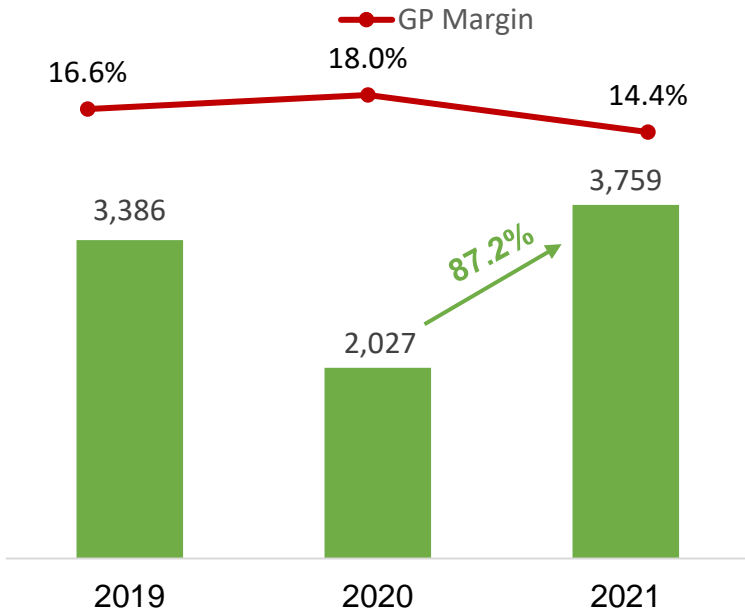
- The market share of most champion products, such as LNG vessel tanks, small & medium-sized LNG storage tanks, liquefied gas trailers and industrial gas trailers has increased significantly in 2021.
- The Top 3 products sold in the segment were cryogenic storage tanks, LPG trailers, LNG trailers.



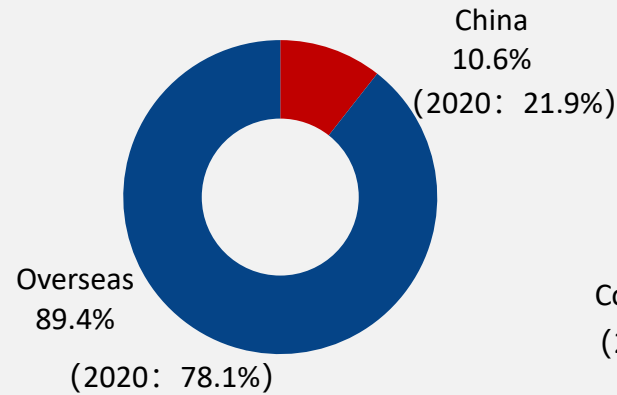


Chemical & Environmental Segment's Revenue rose by 87.2% YoY

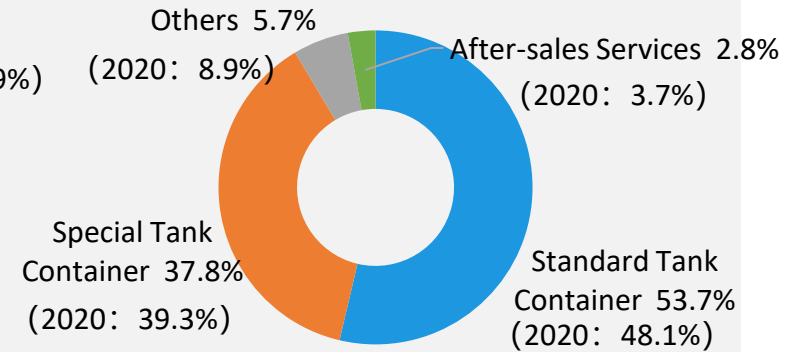
Unit: RMB Million



Revenue Breakdown by Geographic Location



Revenue Breakdown by Type



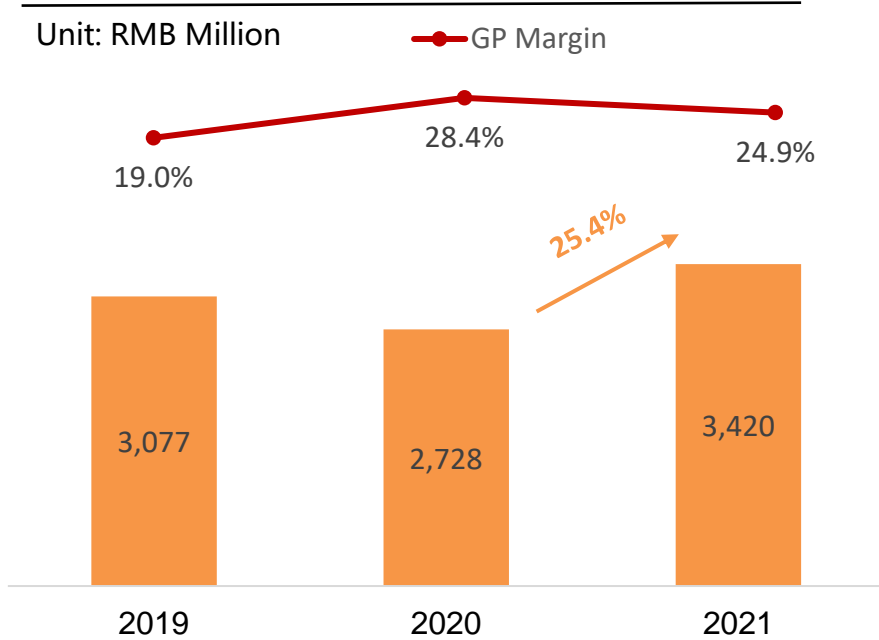
- The rebound of global trade and the recovery of the fine chemical industry led to a significant growth in the orders of standard tank containers and special tank containers.
- The first set of self-developed high-efficiency denitrification reactor was successfully applied during the year, laying the foundation for the expansion of environmental protection equipment and supporting services business.

Champion Products: “CIMC Tank” has been the bestselling tank container in the global market for 17 years consecutively *. During the period, the orders of tank containers increased, which solidified its prestigious position in the industry.

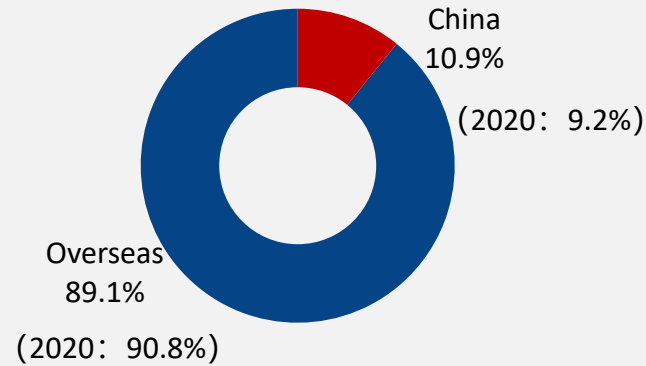
* according to ITCO statistics



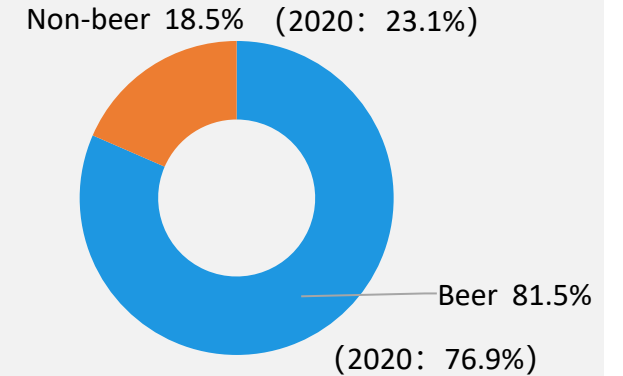
Liquid Food's Revenue grew by 25.4% YoY



Revenue Breakdown by Geographic Location



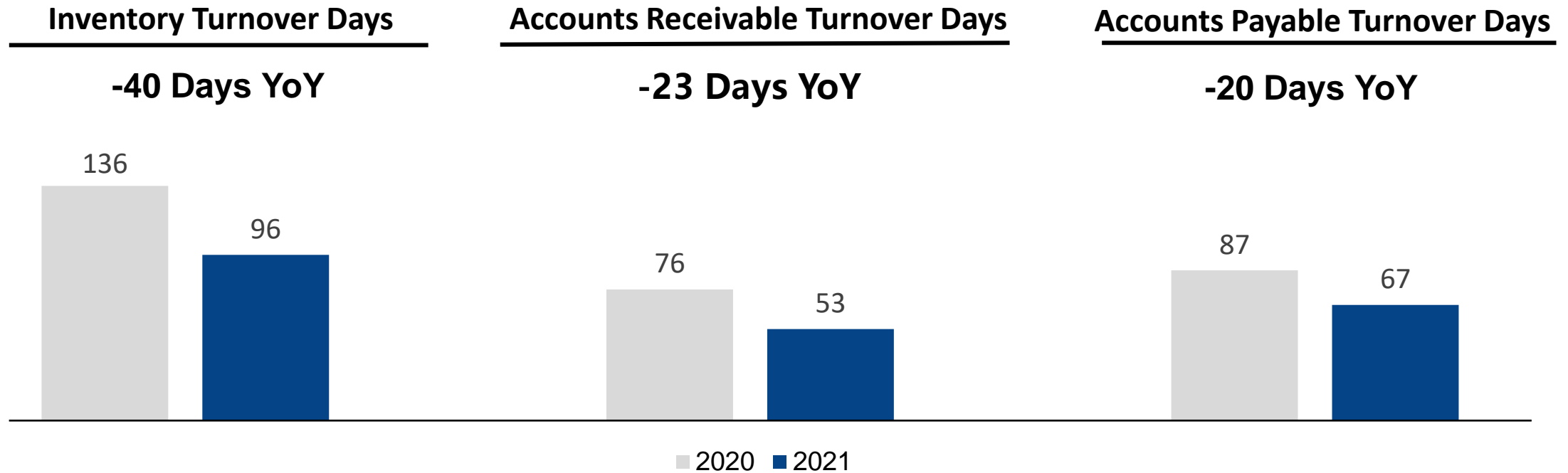
Revenue Breakdown by Type



- The revenue of this segment grew steadily due to the growth in demand for liquid food equipment and our diversified business layout in the early stage.

Champion Products:

Beer turnkey project – the world's Top 3 brand

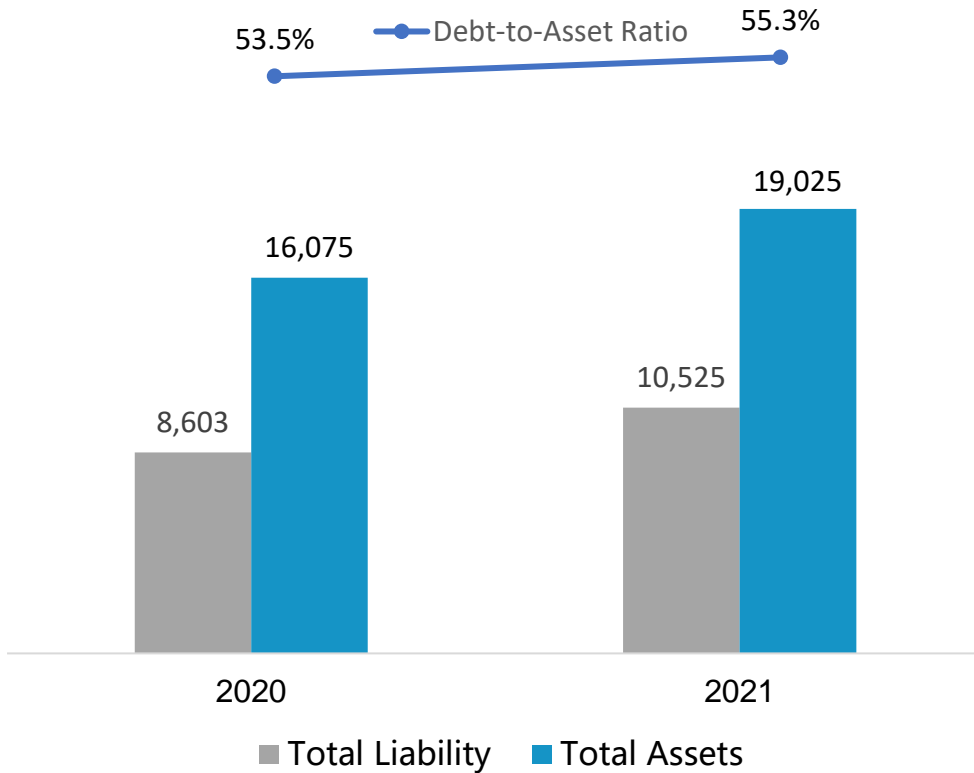


- The company increased strategic steel stocks for steel price appreciation while the inventory turnover days improved by 40 days .
- The accounts receivable turnover days continued to improve, with a decrease of 23 days YoY.
- The overall cash turnover days was 82 days, fell by 43 days YoY.



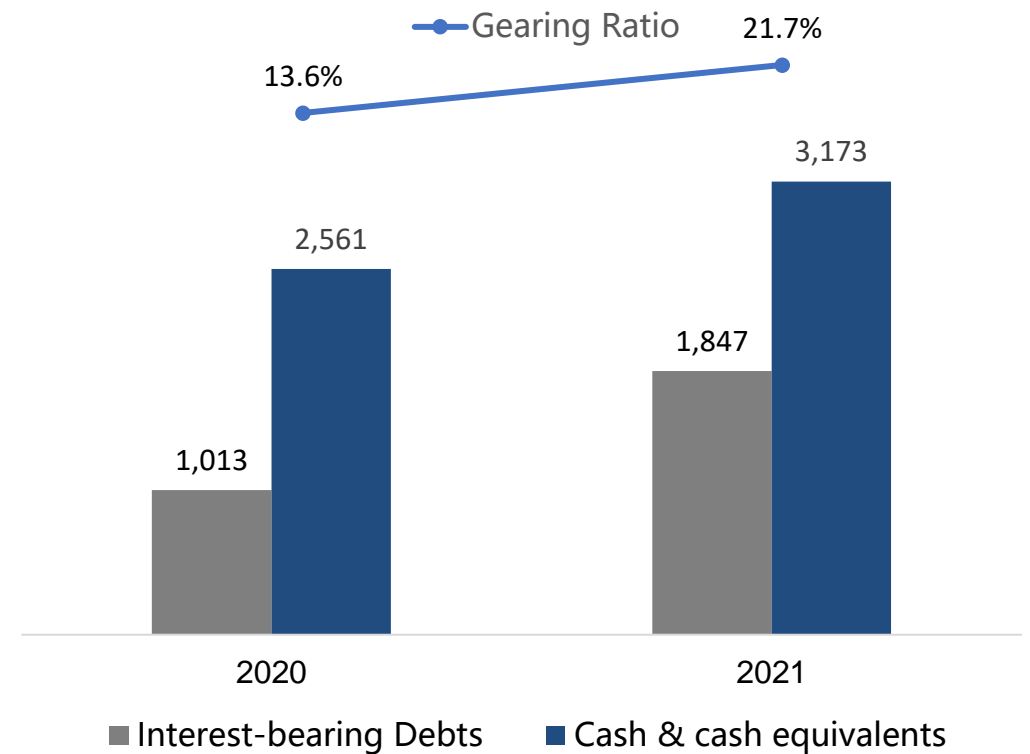
Asset-liability Structure Remained Stable

Unit: RMB Million



Gearing Ratio was Generally Stable

Unit: RMB Million



- During the period, the company issued zero-coupon CB amounted to RMB 1,235 million. The interest-bearing debts would drop to 612 million, stripping out the CB amount, with the gearing ratio down to 7.2% accordingly.



Contents

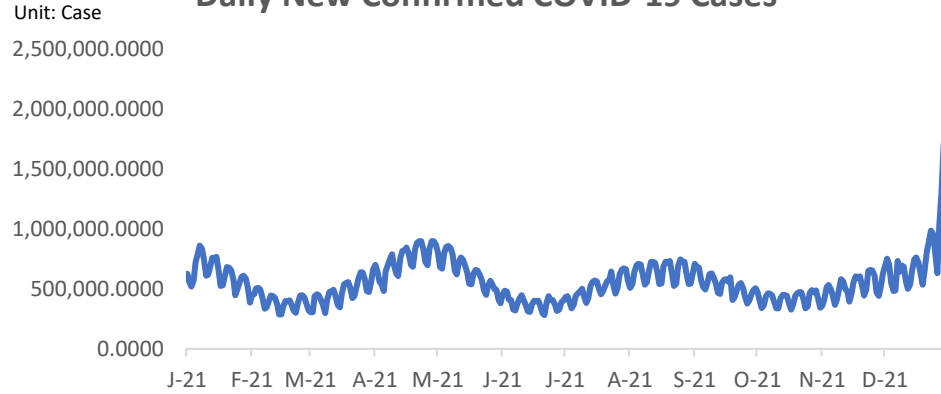
1. Snapshot of Results
2. Financial Review
3. **Business Review & Outlook**





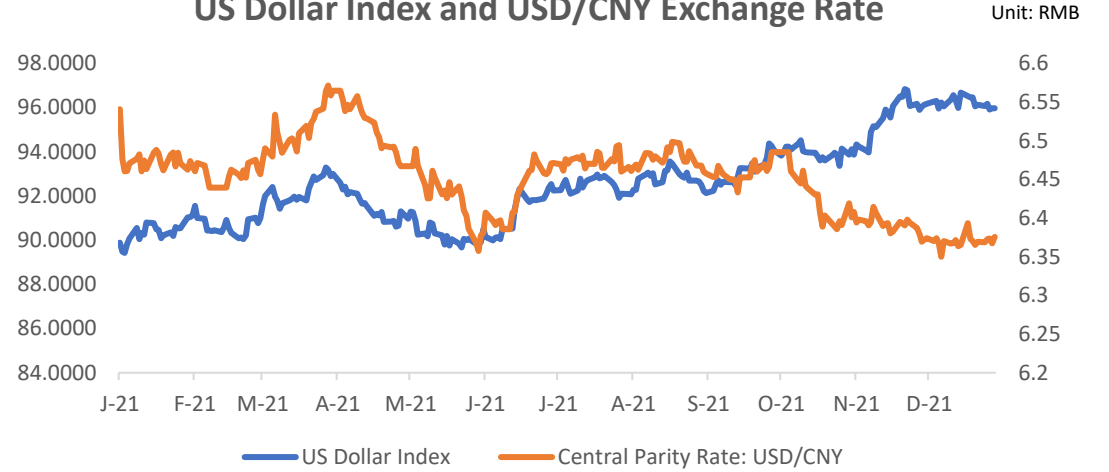
The COVID-19 flare-ups caused greater uncertainty

Daily New Confirmed COVID-19 Cases



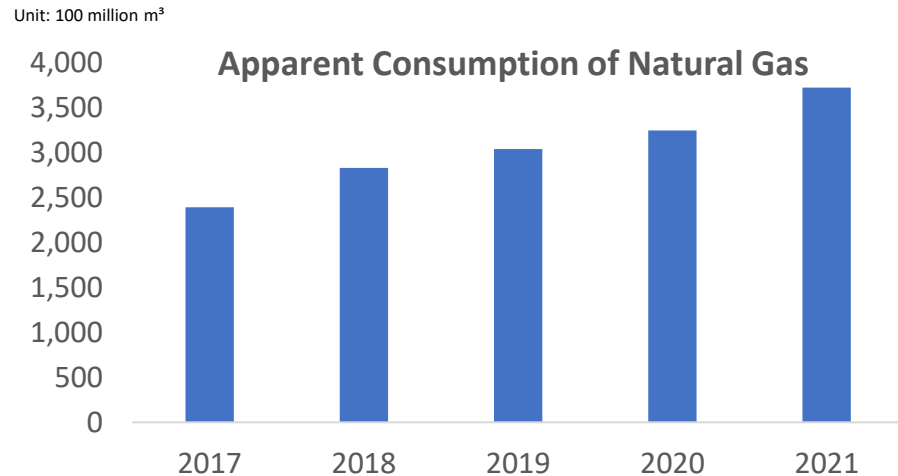
RMB has continued to appreciate against USD

US Dollar Index and USD/CNY Exchange Rate



With the goal of carbon emission peak and the recovery of China's economy, the consumption of natural gas went up

Apparent Consumption of Natural Gas

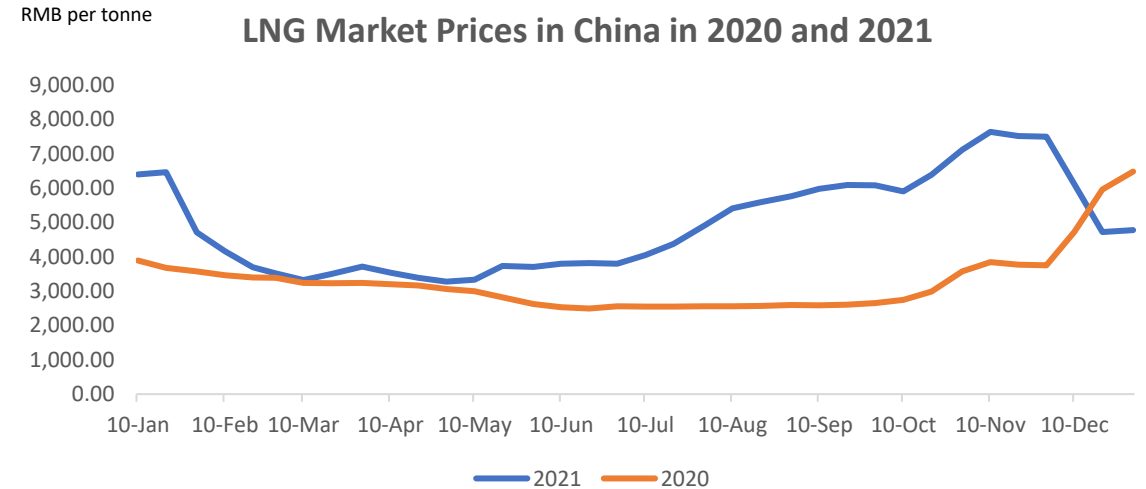


Source: Wind



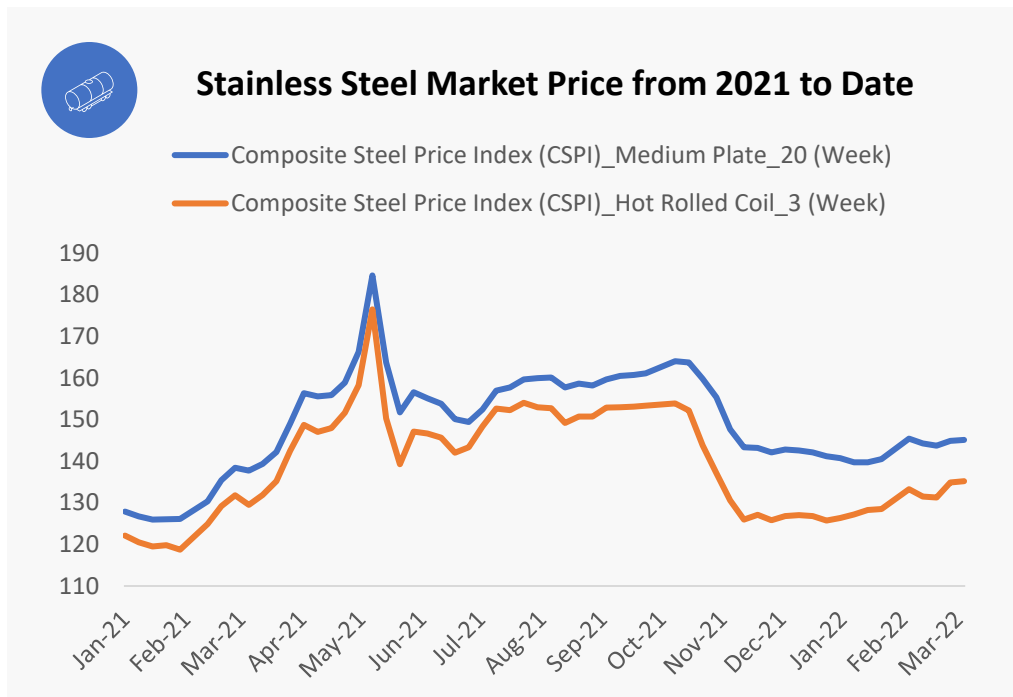
Driven by oil prices and affected by the supply side, LNG price hits a record high and fluctuates unusually in 2021

LNG Market Prices in China in 2020 and 2021

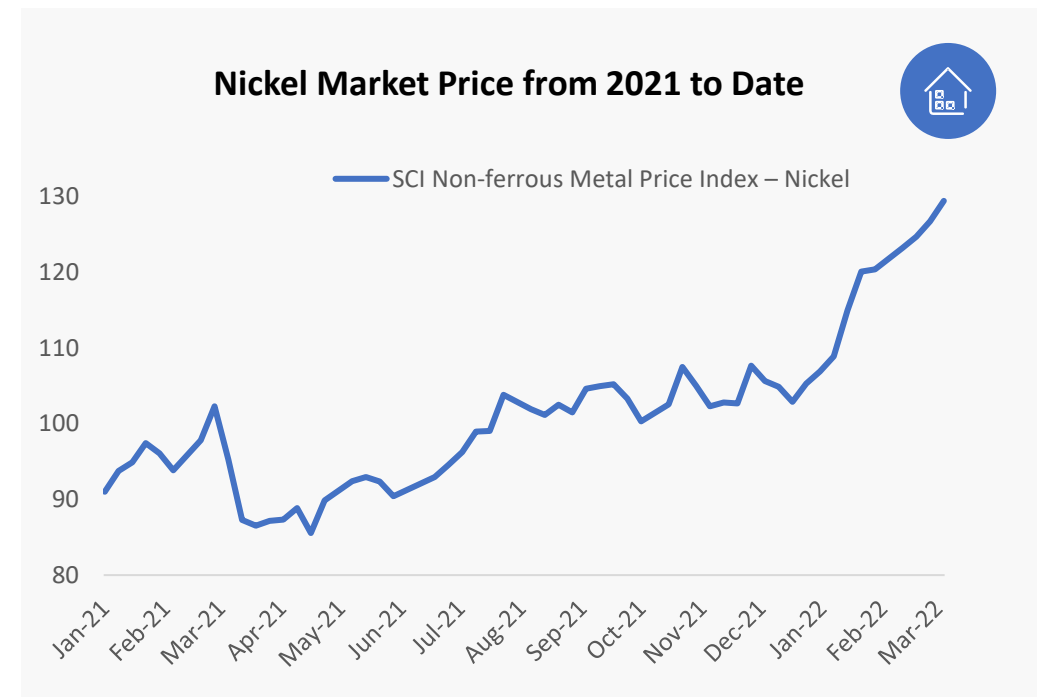




Stainless steel price overall saw rapid increases first and then some setbacks in 2021. The continuous implementation of loose macro policies, plus the gradual recovery of the global economy, had greatly released export demand for stainless steel. Meanwhile raw materials were affected by China's control of the total amount and intensity of energy consumption and by import slowdown, providing support for the soaring stainless steel price. However, as overseas demand weakened and power restriction policies in China were suspended afterwards, supply could largely meet demand, causing the price to fall under pressure. **Looking forward to 2022, in the first half of the year, the seasonal supply shortage of nickel ore, the import slowdown of ferronickel from Indonesia, the reduced supply of ferrochrome from South Africa due to COVID-19, and the declined production capacity in China, will lead to the continuous tight supply of raw materials, stainless steel prices may run high in the short term.**



Data source: China Iron and Steel Association



Data source: National Development and Reform Commission



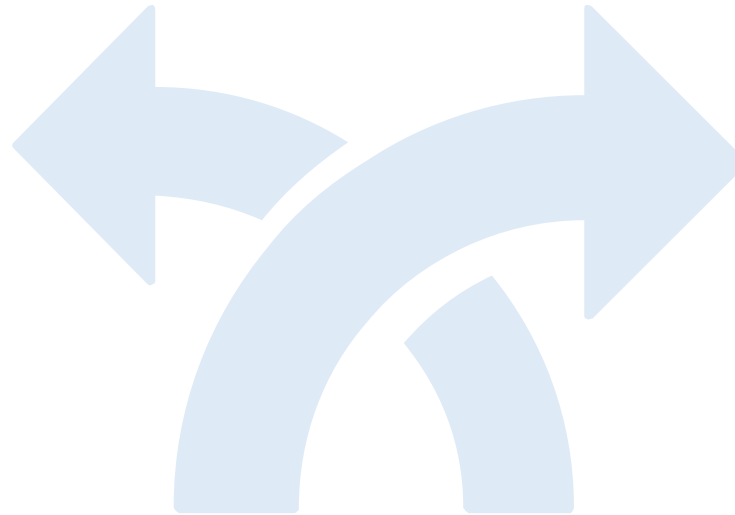
To be an industry-leading high-tech enterprise in clean energy, chemical and environmental, and liquid food

Clean Energy

- During the "14th Five-Year Plan" period, the supply and demand of natural gas in China will maintain steady growth, which will benefit the Company's related production, storage, distribution, application equipment and project business;
- Global ships are moving towards a low sulfur emission trend, with an upcoming vast market of oil-to-gas conversion for vessels;
- On March 23, 2022, the National Development and Reform Commission issued the "Medium and Long-Term Development Plan for Hydrogen Energy Industry (2021-2035)", which emphasized the strategic role of hydrogen in the energy transition.

Chemical and Environmental (CIMC Safeway Tech)

- The development of the trend of multimodal transportation of tank containers and clustering in chemical industrial parks have brought new growth potential for tank containers and after-sales services.
- As China's environmental protection policies gradually become more stringent with a clear outlook for environmental protection equipment.

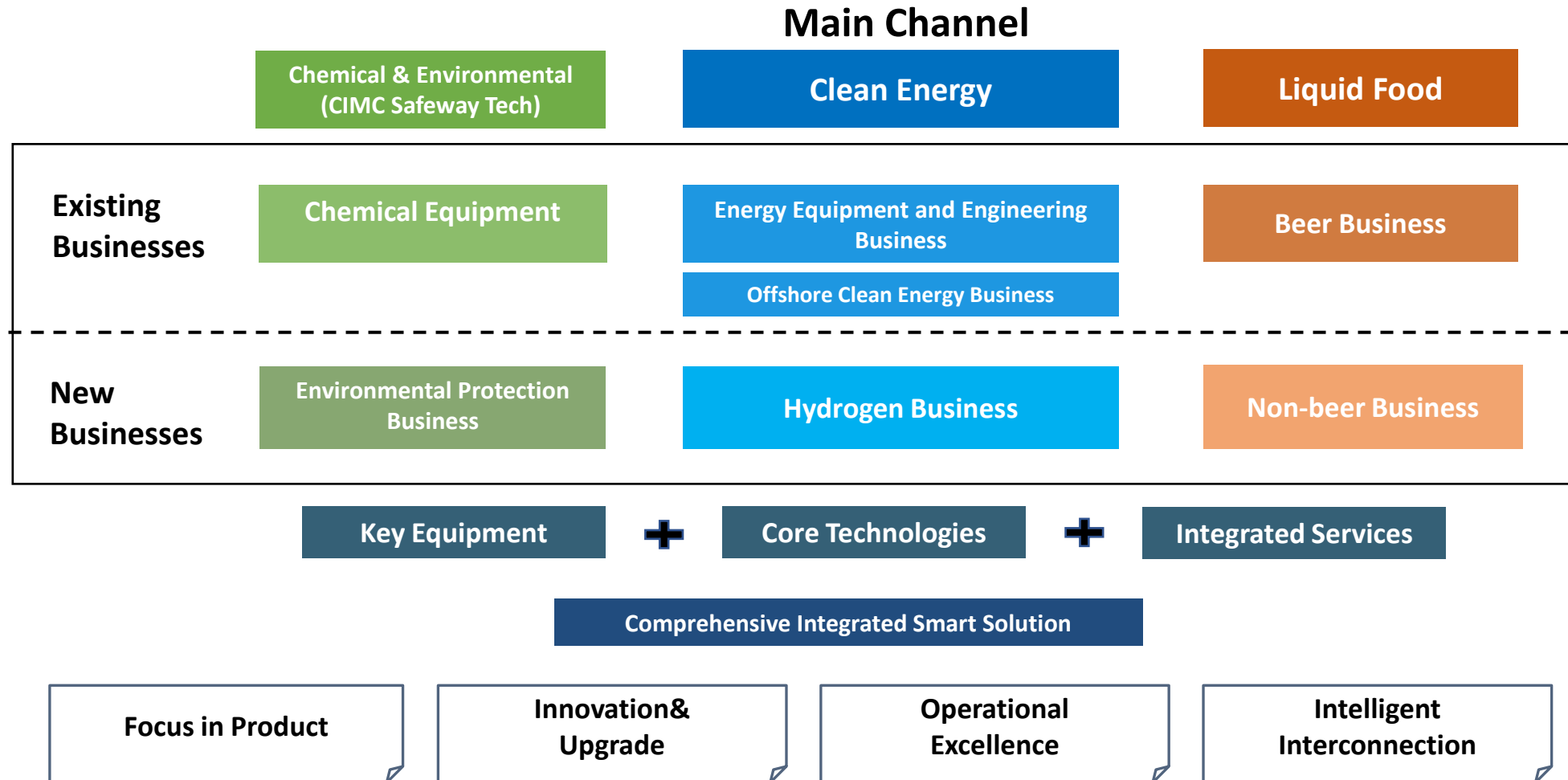


Liquid Food

- There are still growth opportunities for the beer business in regions such as Africa and Latin America;
- The hard seltzer business is growing rapidly in North America;
- Automation transformation and upgrade of Chinese Baijiu brewing equipment will be carried out.

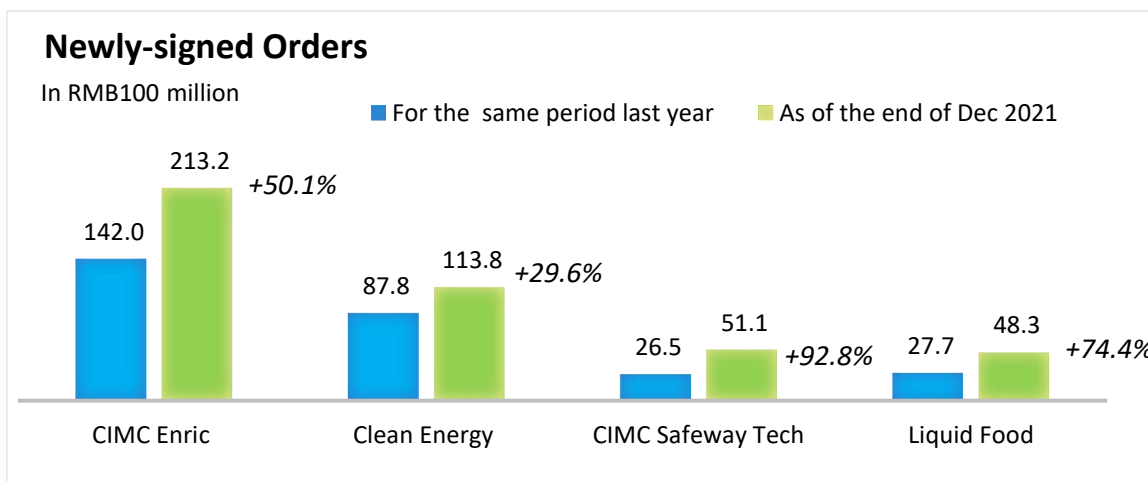


Adhere to main path, develop new fields, and build industry-leading integrated comprehensive service capabilities

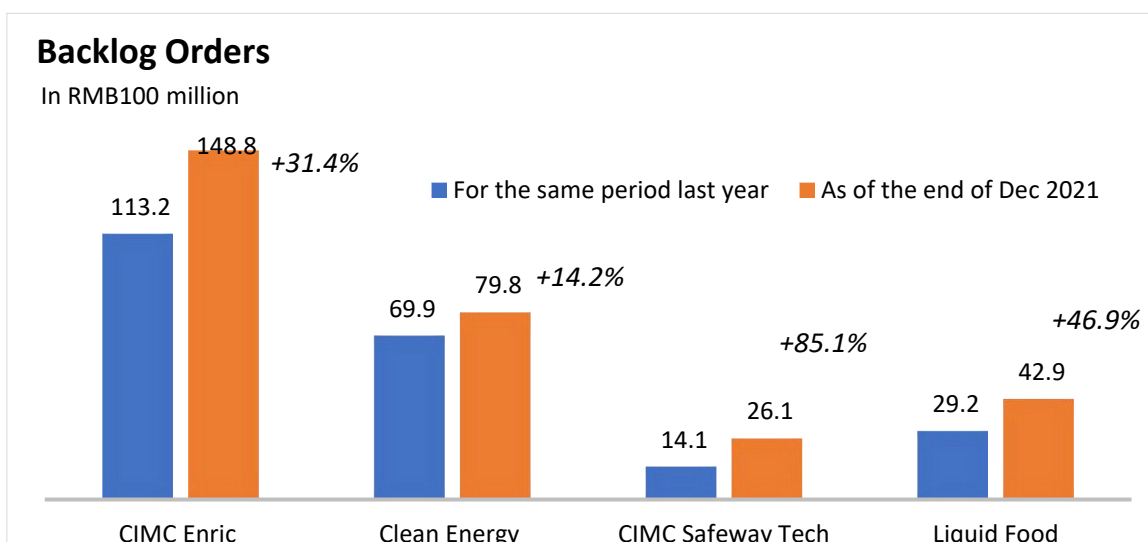


Make energy cleaner, make the environment more sustainable, and make life better!

New orders worth RMB8.84 bn were signed in onshore clean energy (including hydrogen), a YoY increase of 25%. New orders worth RMB2.54 bn were signed in offshore clean energy (SOE + “oil-to-gas” vessel conversion), a YoY increase of 51%. Newly-signed orders in December increased significantly YoY, mainly due to orders worth RMB1.2 bn (four liquefied gas carriers) won by the marine gas business center and orders worth RMB 1.8 bn gained by the liquid food business center.



Category of Clean Energy	Newly-signed orders as of the end of December (in RMB100 million)		
	Current period	Same period last year	Change YoY
Storage	48.4	28.7	69%
Distribution	41.6	26.4	57%
Downstream applications	14.4	20.8	-31%
Processing and others	9.4	11.8	-21%
Total	113.8	87.8	30%

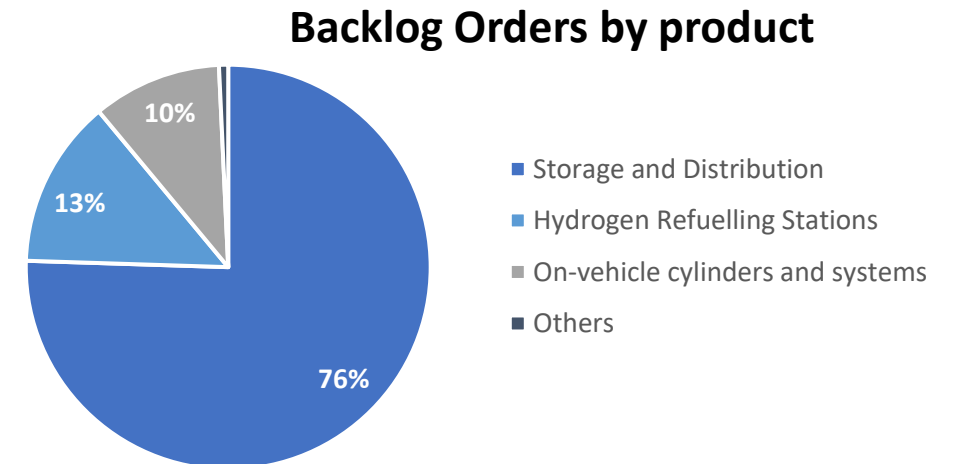
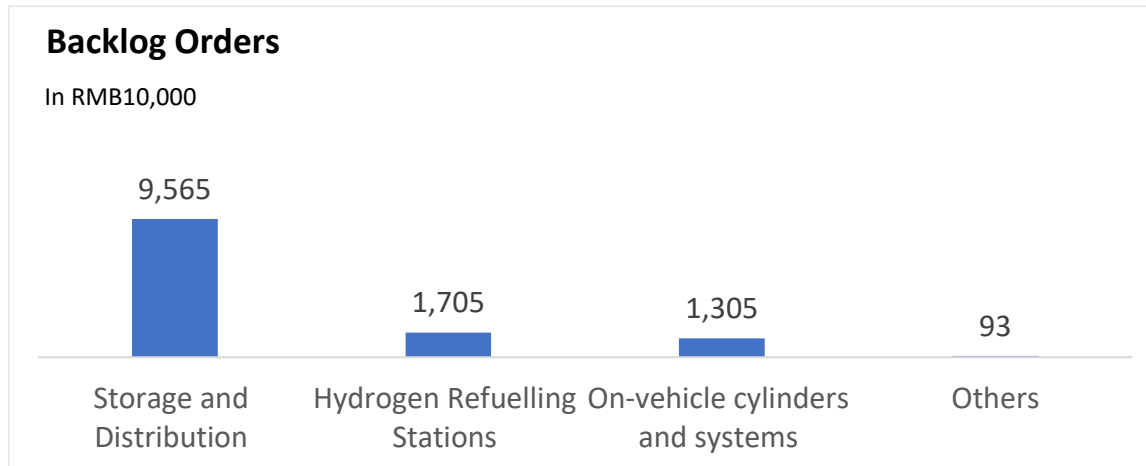
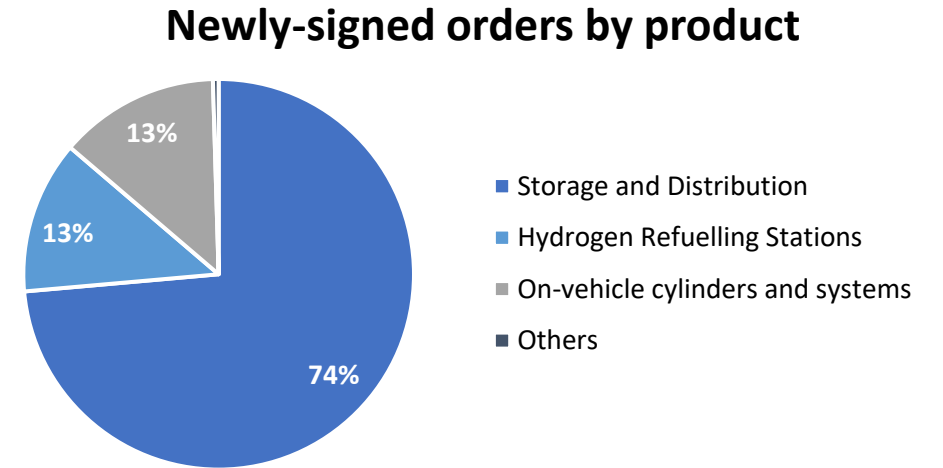
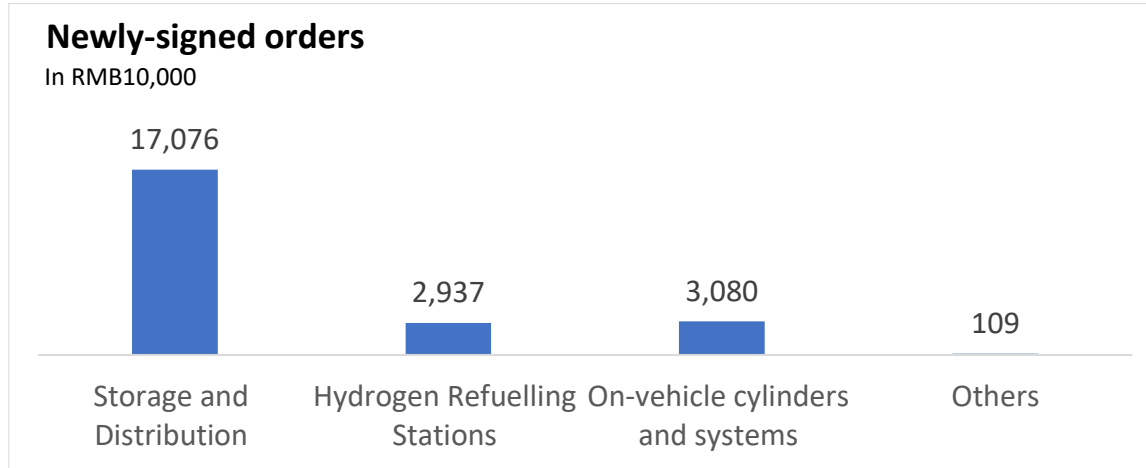


Category of Clean Energy	Backlog orders as of the end of December (in RMB 100 million)		
	Current period	Same period last year	Change YoY
Storage	42.0	28.3	48%
Distribution	27.4	25.3	8%
Downstream applications	6.2	8.3	-25%
Processing and others	4.3	8.1	-47%
Total	79.8	69.9	14%

Newly signed orders: cumulative orders signed in 2021. Backlog orders: existing orders as of December 31, 2021



➤ Newly signed orders of hydrogen business worth RMB230 million, while backlog orders worth RMB130 million, mainly from tube bundle vehicles, hydrogen refuelling stations, on-vehicle cylinders and hydrogen supply systems.



Clean Energy

Natural gas + Hydrogen to facilitate “dual-carbon” goals



下次检验日期 年 月

公路运输 禁止堆码

冀N 13089



To achieve “dual carbon” goals, the role of natural gas as an energy source in China needs to transition from replacing coal to both supporting the large-scale development of new energy and becoming the alternative fuel for those with high carbon emissions or high pollution. It is estimated that the growth rate of natural gas consumption in 2022 will reach 8.5%, and that industrial gas consumption, city gas consumption and consumption in power generation will maintain relatively fast growth.

Expansion Applications for Natural Gas

The major alternative energy source for coal and oil

In terms of carbon emissions per unit of energy, carbon emissions of coal are 1.29 times those of oil and 1.69 times those of natural gas.

The partner of choice to support a high proportion of renewable energy in energy mix

In power generation, replacing coal with natural gas can not only improve energy conversion efficiency, but also offer great environmental protection advantages and strong peak shaving capabilities.

The foundation for developing the hydrogen energy industrial chain

Hydrogen production from natural gas produces the lowest carbon emissions among all fossil fuels. Hydrogen and natural gas can be transported together by mixing them in certain proportions.

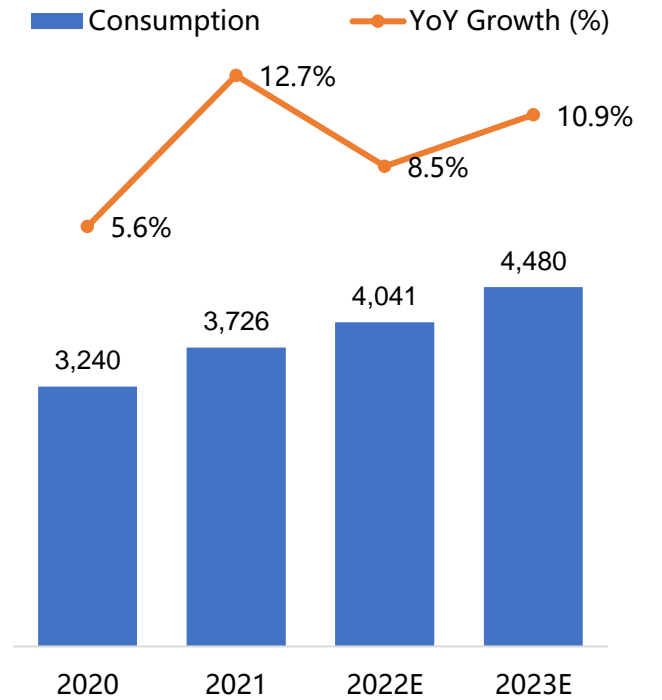
Replacing coal

Replacing energy sources with high carbon emissions

Supporting new energy development

China Natural Gas Consumption Forecast 2022-2023

In 100 million cubic meters



Sources: Wind, National Development and Reform Commission, Gas Tank, LESSBETTER



Offshore Clean Energy Industry Chain

Upstream (Production and processing)



▲ Offshore oil and gas processing module

Midstream (Distribution)



▲ Small and medium-sized gas carriers (LEG/LPG/LNG)

Downstream (Application)



▲ LNG bunkering vessel and off/ onshore bunkering
▲ Oil to gas conversion for ships (marine tanks and power systems) (inland waterways, coastal)

Onshore Clean Energy Industry Chain

Upstream (Production and processing)



▲ Liquefaction plant/wellhead skid-mounted equipment
▲ Onshore wellhead gas treatment and processing

Midstream (Distribution and Storage)



▲ Clean energy distribution equipment
▲ LNG peak shaving storage equipment and engineering
▲ Other clean energy storage equipment and engineering

Downstream (Application)



▲ Clean energy equipment for transportation
▲ Commercial and industrial LNG small fuel tanks

Hydrogen Industry Chain

Upstream (Production and processing)



▲ Hydrogen production from methanol and hydrogen refueling demonstration project
▲ Hydrogen production from coke oven gas demonstration project

Midstream (Distribution and Storage)



▲ Hydrogen Tube bundle trailer
▲ Liquid hydrogen storage tank

Downstream (Application)

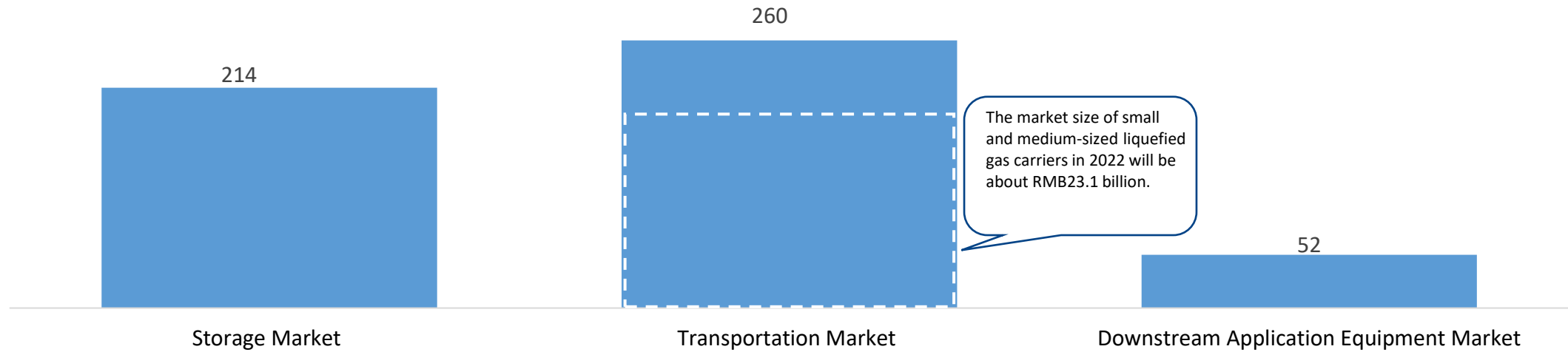


▲ Hydrogen refueling station, mobile hydrogen refueling sub-station vehicle
▲ Type III, Type IV on-vehicle hydrogen cylinders



Forecast on Market Demand of Clean Energy Equipment in 2022: RMB52.5 Billion

In RMB100 million



Note: As the global economy recovers, world seaborne trade is gradually going back on the right track. And the process of energy conservation and emission reduction in the shipping industry is speeding up. In 2022, the orders for small and medium-sized liquefied gas carriers (≤40,000 cubic meters) in the world are expected to soar, and the market size will increase rapidly.

In 2022, the core equipment market size covered by CIMC Enric will reach **approximately RMB52.5 billion (2021: RMB38.2 billion)**.

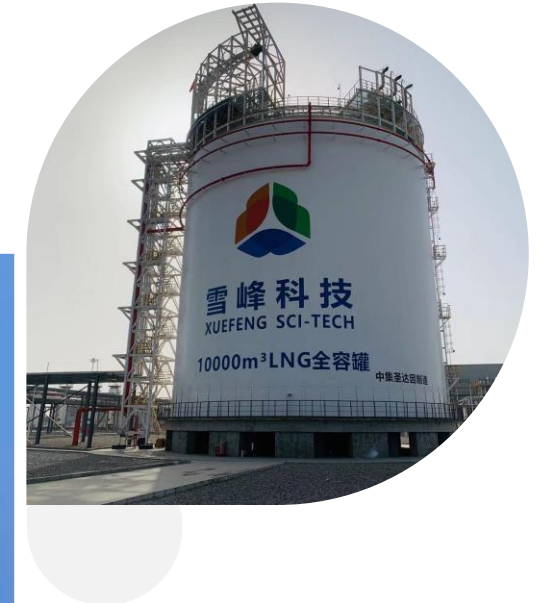
- The market size of **storage equipment** will be **about RMB21.4 billion**, including the demand for storage tanks in city gas peak-shaving projects, LNG receiving terminals and liquefaction plants.
- The market size of **distribution equipment** will be **around RMB26 billion**, and the market size of small and medium-sized liquefied gas carriers (≤40,000 cubic meters) will be about RMB23.1 billion.
- The market size of **downstream application equipment** will be about **RMB5.2 billion**. After the full implementation of the China VI Emission Standards, the penetration rate of LNG heavy trucks is expected to increase. The Company is continuously optimistic about the development of this market.

Source: The internal forecast of market sizes is made based on sales, and the market size is calculated based on the average unit price of the subdivided products in the same year when sales were generated and is revised on a quarterly basis.

In 2021, the LNG peak-shaving storage capacities of city gas operators reached 1,567 million cubic meters, an increase of 240 million cubic meters YoY but far way off the national requirements. Analyzed by provincial-level administrative region, only gas operators in Shanghai, Inner Mongolia and Gansu achieved the target set. **In 2021 CIMC Enric signed contracts for 26 projects.**

- In November 2021, the 10,000 m³ LNG full containment tank project in Shaya County of Xinjiang undertaken by CIMC Enric was successfully commissioned. It is currently the largest LNG production project in Shaya, **responsible for 5% of the gas consumption in Shaya County and surrounding counties and cities as well as the government's three-day emergency storage of natural gas.**

- The 6,000 m³ LPG spherical tank station project in Cambodia has been completed and put into use. The successful completion of this project has laid a solid foundation for us to continue to develop the Cambodian market.



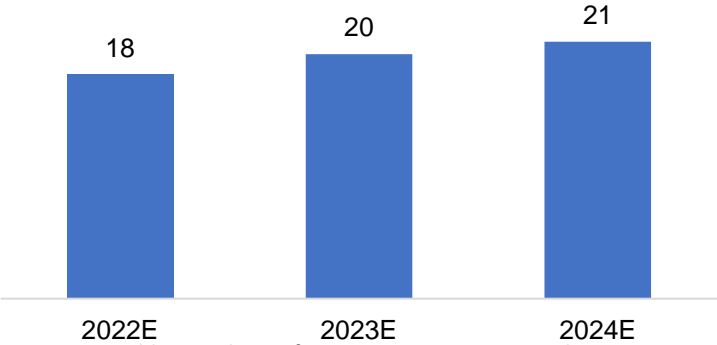


(Onshore) Storage Outlook: Strong Peak-shaving Demand Drives Sales

The Report on the Work of the Government 2022 states that more than 5 billion cubic meters of gas storage facilities will be constructed, the national emergency backup and peak shaving power supply will be promoted to more than 300 million kilowatts, and key energy producers and large energy users will be guided to strengthen their reserve with social responsibility.

LNG Storage Tank Market Size in the Next Three Years (350+ Liters)

Unit: In RMB100 million



Sources: public market information, Strategic Development Department of CIMC Enric

Most future peak shaving reserve projects will be put into operation in 2022-2023.

There are currently 14 projects under construction in China, with large storage capacity mainly concentrated in Liaoning, Shandong and Jilin, etc. The additional storage capacity is expected to be 227,400 cubic meters, with a maximum peak shaving gas consumption capacity of about 136 million cubic meters in winter.

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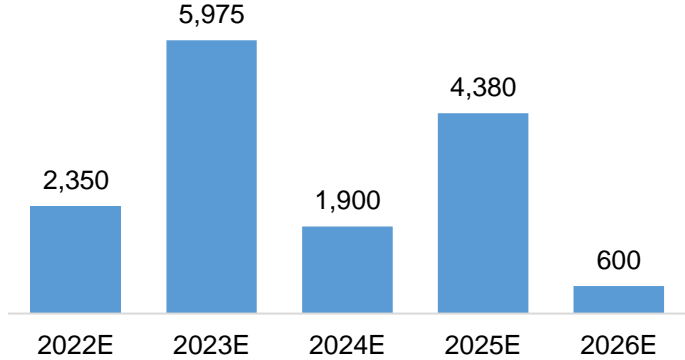
According to the statistics, China plans to construct 29 new LNG receiving terminals and expand 11 LNG receiving terminals in the next 5 years.

02

The main commissioning year is mainly in 2023, with an expected capacity addition of 59.75 million tons/year, accounting for 39% of the total capacity addition in the next five years.

New Capacity of LNG Receiving Terminal 2022-2026

Unit: 10,000 tons



Sources: LESSBETTER



LNG tank containers

Benefiting from the active LNG trade during the year, LNG tank containers sales recorded steady growth. On April 25, 2021, the company provided 205 sets of 45-foot LNG tank containers facilitate the trial operation of overseas import of fully-loaded LNG tank containers.



LNG trailers

20 LNG trailers were delivered in September 2021 to be used as special supply vehicles for the 14th National Games in Shaanxi Province.



LPG trailers

The recovery of the global oil market led to an increase in refiners' operating rates, which led to a 97% YoY increase in LPG trailer sales.



Deep processing such as Propane Dehydrogenation Unit (PDU) drives LPG demand

The total apparent consumption of domestic LPG in 2021 is estimated to be 70.47 million tons, increased by 11.9% YoY



LPG fuel demand rises

The LPG combustion economy improved due to the high LNG price in the second half of 2021, driving the demand for LPG storage and transportation equipment to increase

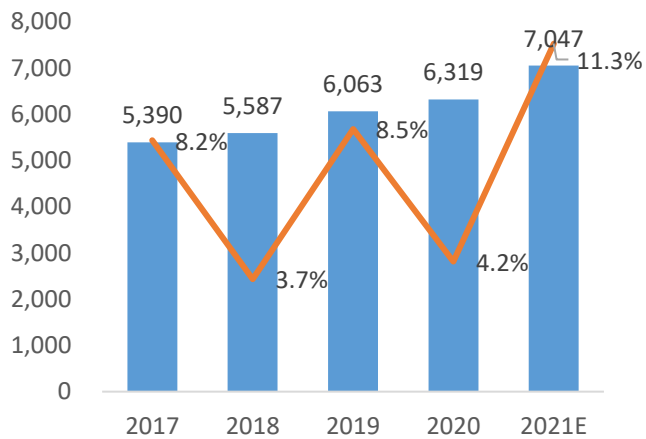


LPG micro-pipe network has a broad market

The LPG micropipe network is suitable for rural areas that have not yet covered by natural gas pipeline network. According to the National Bureau of Statistics, the number of rural households in 14 southern provinces reached 103 million in 2020.

Apparent LPG Consumption in China

Unit: 100 million m³



Source: Huajing Industry Research Institute

LPG Combustion Economy

	LNG	LPG
Supply Method	Pipeline	Cylinder
Blast range	5%-15%	1.5%-9.5%
Calorific value(kcal/kg)	4,280	4,945
Average price in 2021 (RMB/ton)	4,970	4,617

Source: National Bureau of Statistics

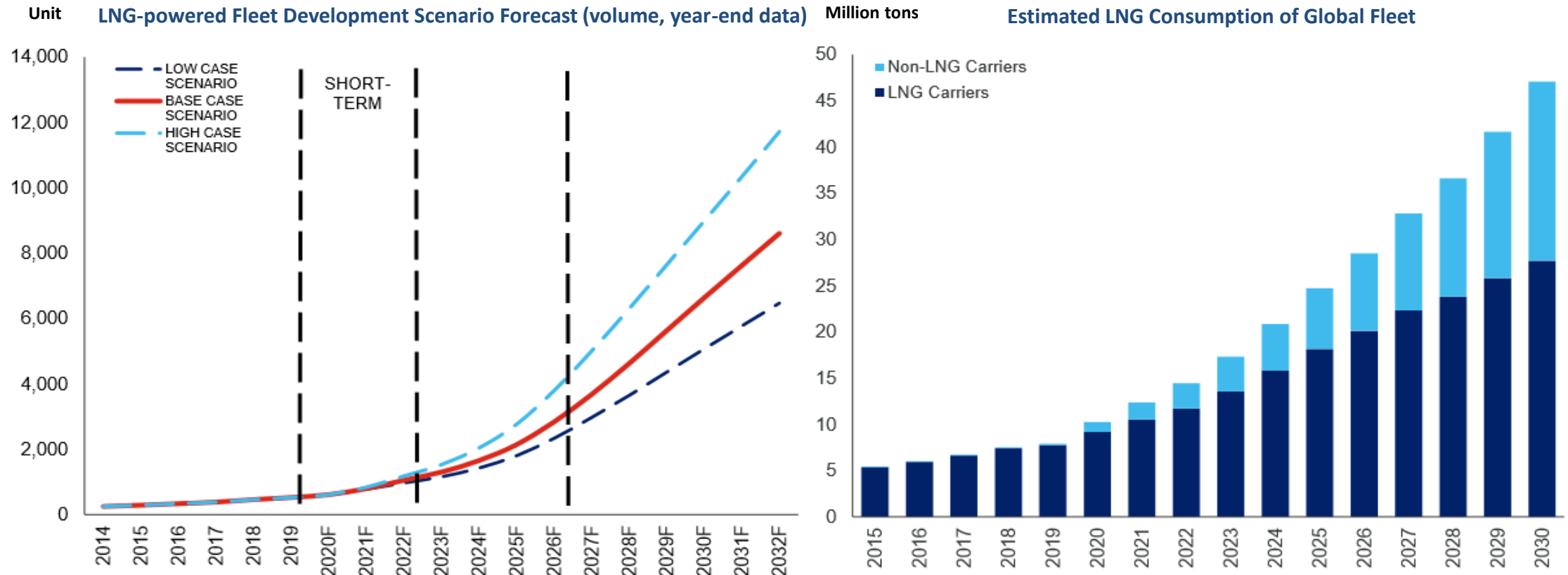
LPG Pump Tanker for Micro-pipe Network





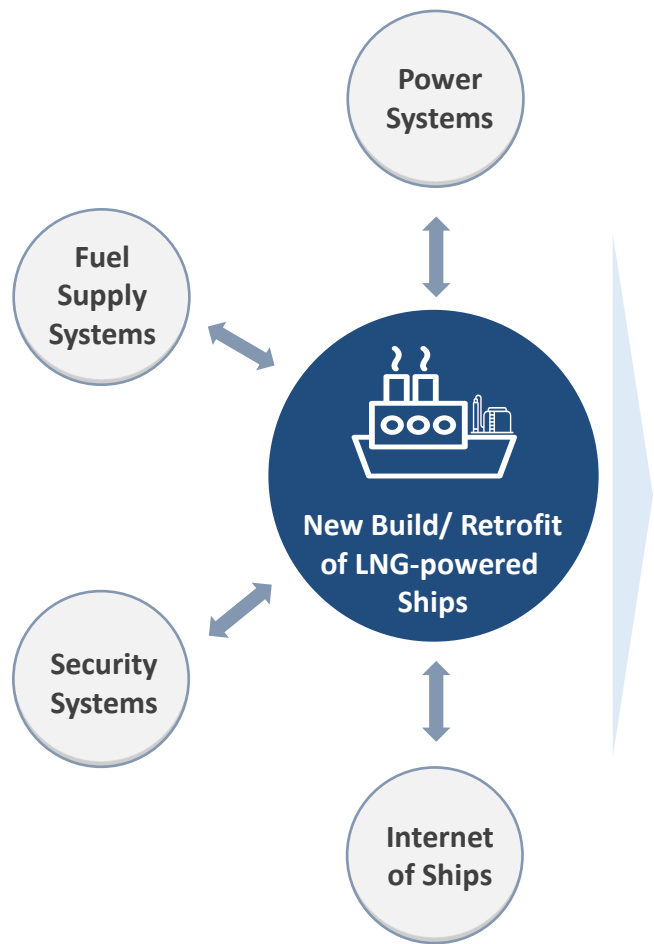
- Continued rapid growth of LNG demand in recent years, coupled with the development of LNG second and third-way transfer, river-sea transportation, and LNG market in Southeast Asian island countries, the demand for small LNG vessels increases;
- The development of LNG-powered vessel market drives the growth of refueling facilities, and LNG bunkering vessels or carriers with bunkering function will be the key market for the next 3-5 years.

LNG-powered fleet size expected to accelerate after 2022

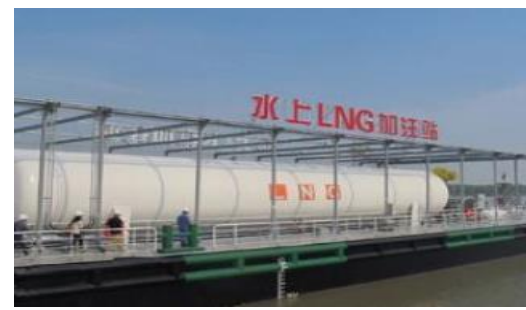




(Offshore): New Build and Retrofit Integrated Solution of LNG-powered Ships



- Middle and Upper Yangtze River Waters
- Middle and Lower Yangtze River Waters
- Beijing-Hangzhou Canal Waters
- Pearl River Delta Waters
- Xijiang River Waters
- Other Key Lakes/ Sea Waters



LNG Bunkering Stations

- LNG bunkering station construction and operation
- LNG supply



LNG-powered Vessels

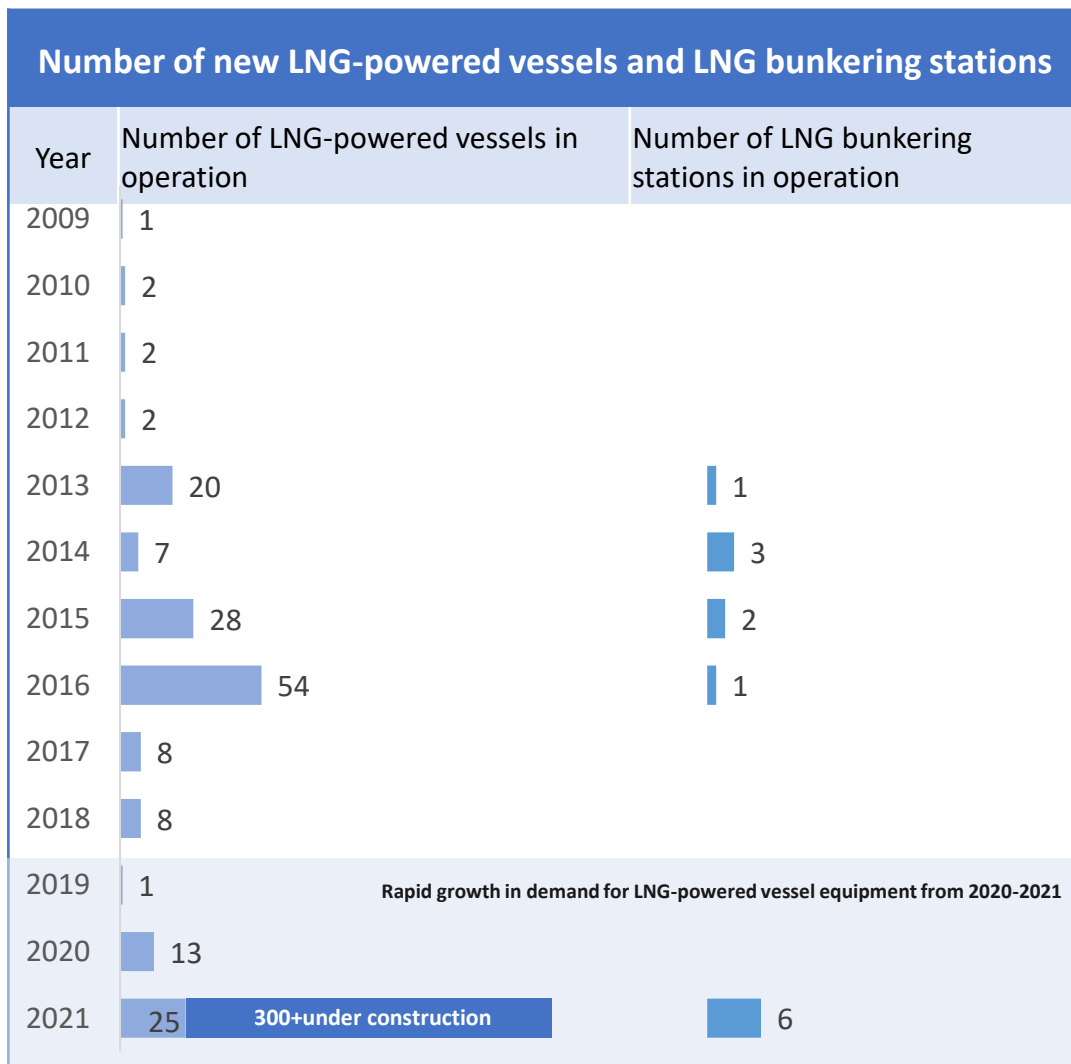
- New build and retrofit of LNG-powered vessels

Gasification Pearl River Oil-to-Gas Vessel Conversion Project



Successfully completed two oil-to-gas vessel conversion projects in March 2022

At present, the Company has obtained 112 oil-to-gas conversion orders for vessels with total order amount exceeding RMB400 million



LNG-powered vessels under construction

Guangdong: CIMC-Runqing Shipping's 500 LNG-powered cement carriers have started construction

Chongqing: Chongqing Fuling Zesheng Shipyard, two 10,000-ton level of LNG & diesel dual-fuel-powered vessels are under construction; Minsheng Wheel Shipyard, two ro-ro vessels of 900-truck commercial truck are under reconstruction and four 130-meter feeder dual-use LNG dual-fuel standard vessels are under construction

Hubei: 5 LNG vessels under construction in Yichang

Zhejiang: 10 LNG-powered cement carriers of 1,600 tons ordered by Hangzhou Jinjiang Building Materials Group and undertaken by Shantou Shipyard are under construction

LNG bunkering station projects under construction

Hubei: China Gas Ezhou Port Fudi Fujiang marine LNG bunkering terminal is under construction; Zigui waterway transport application LNG project terminal project passed the handover acceptance and will be put into operation

Guangdong: 6 LNG bunkering stations under construction

Chongqing: Banan Maliu bunkering station has been accepted and handed-over

Jiangxi: LNG ship bunkering project in Hukou port area of Jiujiang Port has successfully passed the handover and acceptance

Source: CIMC Enric Strategic Development Department, market data



2022 Market Outlook of Key Hydrogen Equipment

On March 23, 2022, the NDRC and the National Energy Administration jointly launched the "Medium and Long-Term Development Plan for Hydrogen Energy Industry (2021-2035)", which defined hydrogen as an important carrier to promote green and low-carbon transformation of energy consumption terminals, and stated that hydrogen will play a strategic role in China's future national energy system

20,000 fuel cell vehicles

- Demonstration city clusters promote the rapid development of the hydrogen fuel cell industry, especially for commercial vehicles. In the future, technological breakthroughs will continue to accelerate.
- It is expected that in 2022, the application of hydrogen fuel cells in transportation sector will be significantly accelerated in China, and the application scenarios will extend to ships and other fields.



300 hydrogen refueling stations

- About 255 hydrogen refueling stations have been built and 183 have been put into operation in 2021 in China.*
- In the future, China will coordinate the layout of hydrogen refueling stations and promote the construction of hydrogen refueling network. Oil or gas refueling stations' reconstruction will become an important method.
- In 2022, it is expected that 300 hydrogen refueling stations will be put into operation.



1.5GW electrolytic cell

- Sales of electrolytic cells will quadruple, driven by the Chinese, US and European markets.
- According to Bloomberg New Energy Finance's forecast for the development of clean hydrogen in 2022, China will be the largest market. Global electrolytic cell manufacturers delivered 458MW in 2021, while shipments in 2022 will reach 1.8-2.5GW, in which China will account for 62%-66%.



50,000 tons/year green hydrogen

- During the "14th Five-Year Plan" period, China will carry out large-scale renewable energy hydrogen production demonstrations, and build a large-scale green hydrogen production base.
- It is expected that in 2022, the demonstration project will accelerate to implement, the domestic renewable energy hydrogen production scale will reach about 2GW, and the green hydrogen production will reach 50,000 tons/year.

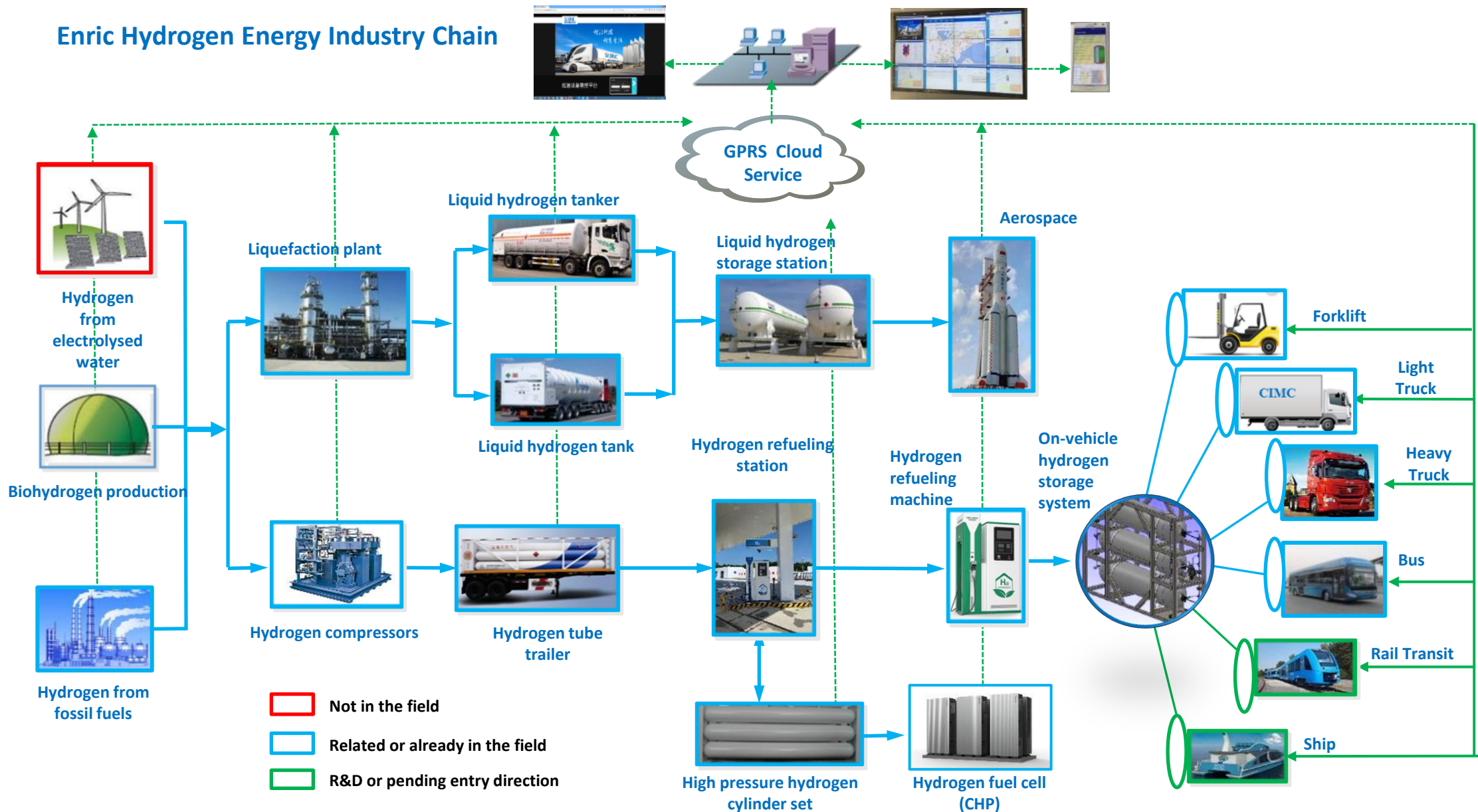


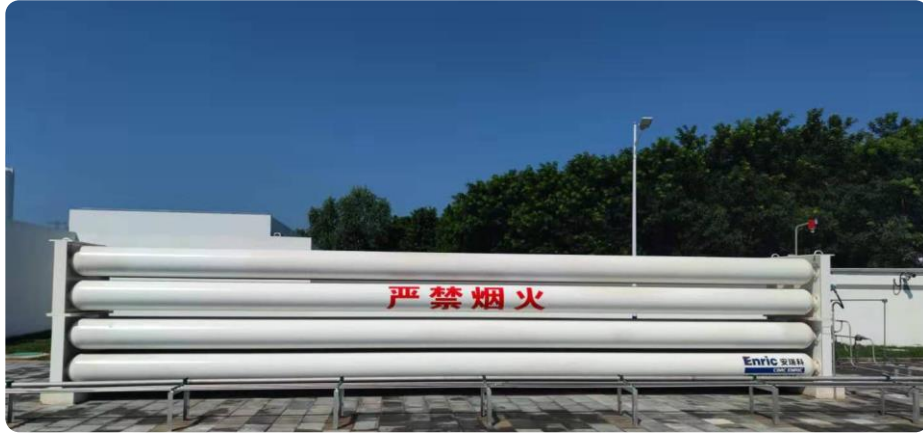
Source: Hydrogen Energy Branch of China Industrial Development Promotion Association of National Development and Reform Commission

*Source: China Hydrogen Alliance

Enric Hydrogen Energy Industry Chain

Intelligent Management Platform

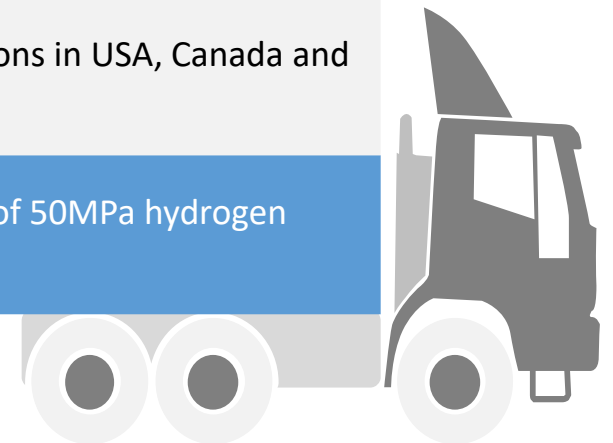




Hydrogen energy business has been developed for more than 15 years, with hydrogen tube trailers and stationary hydrogen vessels leading the industry

Exported more than 300 sets of stationary hydrogen vessels for hydrogen refueling stations in USA, Canada and Korea

Provided more than 30 sets of hydrogen tube bundle containers and more than 10 sets of 50MPa hydrogen storage vessels for Beijing Winter Olympics and Paralympics



We provide EPC business of hydrogen refueling stations and integrated energy stations in Guangzhou, Baoding, Zhucheng and other places, and are the supplier with the highest degree of owning hydrogen refueling station equipment in China.



In July 2021, we successfully completed the first oil, gas and hydrogen combined station in Hebei Province, which will serve the infrastructure of Xiongan New Area.



In October 2021, we cooperated with Dalian Institute of Chemical Physics to promote the demonstration project of hydrogen from liquid sunshine (methanol) and hydrogen refueling to serve the 2022 Beijing Winter Olympics



In November 2021, we provided a small skid-mounted special hydrogen refueling device for Mona Lisa hydrogen refueling project, helping to implement the first comprehensive solution for hydrogen forklift application in China



In January 2022, we delivered 70MPa skid-mounted fully integrated hydrogen refueling device to provide green hydrogen for hydrogen fuel cell vehicles for the 2022 Beijing Winter Olympics



Type III/IV on-vehicle hydrogen supply system



In April 2021, we obtained an order of over RMB 100 million for on-vehicle hydrogen supply system (including on-vehicle hydrogen cylinder and supply system for the implementation of hydrogen heavy-duty truck demonstration operation project), and steadily promoted the project. The production base of joint ventures with Hexagon Purus will be constructed soon.



Hydrogen fuel tank for vessel



In November 2021, first batch of 30 MPa carbon fibre wrapping hydrogen fuel tank to Europe was successfully delivered, which has a broad market prospect in the field of hydrogen for marine transportation.



CHP for buildings



In November 2021, we signed a MOU with Panasonic Corporation to jointly develop integrated products for hydrogen power application (combined heat and power supply), which will continue to help the implementation of the national "dual-carbon" strategy.

Chemical & Environmental

Enhance strengths, accumulate experiences,
expand to new businesses



The world's largest, most comprehensive and technologically advanced global chemical logistics equipment manufacturer and full life-cycle service provider



Tank container manufacturing

Both standard tank container and special tank container orders recorded significant growth during the year, while profitability remained relatively stable, and operation continued to improve. The global market share of tank containers exceeded 50%, ranking first in the world for consecutive years.

World leader



Tank container services

Has laid out depot service networks around logistics hubs or chemical clusters, forming a "manufacturing + service" dual-drive development model with its main business, mainly in Nantong, Jiaying, Lianyungang, the Netherlands, etc., to provide global customers with full life-cycle services.

Full life cycle



Intelligentization

Provide customers with IOT intelligent terminals, has successfully explored a number of world-renowned container leasing companies and operators and has applied them to emerging fields such as the transportation of raw materials for the new energy battery electrolyte and chip industries.

IoT

The spin-off application of the segment on ChiNext Market has been accepted by the Shenzhen Stock Exchange, which will further consolidate its global leadership in chemical tank containers and increase its revenue contribution in China market. It also provides a good business development, employee incentive and capital market financing platform for new exploration in the environmental protection field.



Internet of Things + Solutions

In line with the industry's demand for intelligentization and informationization, combined with underlying technologies such as IoT and big data, CIMC SAFEWAY brand is created to integrate full life-cycle monitoring, management and service of tank containers and provide complete solutions for customers' tank container operation and management.

Upgrading production line with digitalization

Has completed the intelligent upgrading of the production line of standard liquid tank containers, resulting in a significant increase in production efficiency. The company will actively promote the "Special Tank Container Green Flexible Lighthouse Factory Project" in the future.

Focus on "High-end lined tank containers for high-purity chemicals" demand gap

Has joined hands with SUN FLUORO SYSTEM, a world-renowned liner processor, to expand niche market by providing storage and distribution equipment for high purity semiconductor etchant chemicals for the semiconductor manufacturing industry.

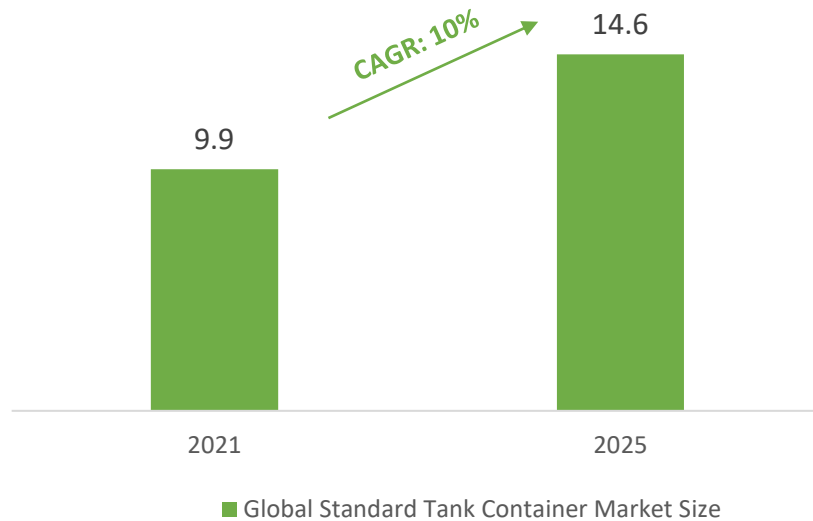
Tank containers are used to distribute hazardous petrochemicals because they are made of stainless steel and are surrounded by various types of protective coatings that resist the corrosive effects of petrochemicals.

According to The Business Research Company, the global petrochemical market is expected to grow from USD365.01 billion in 2020 to US\$429.11 billion in 2021, at a CAGR of 17.6%. On the other hand, there is a clear trend of clustering of chemical industrial parks in China, bringing opportunities for the development of tank containers and after-sales services.

01

Global Standard Tank Container Market Size

Unit: USD hundred million

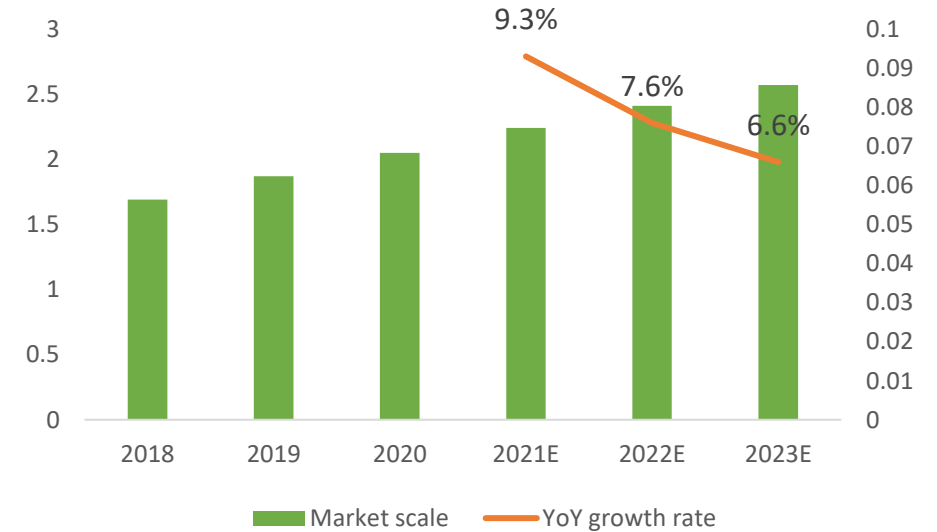


Source: Research And Markets

02

China Hazardous Chemical Logistics Market Size

Unit: USD hundred million



Source: Hazardous Chemicals Logistics Sub-branch of CFLP, CICC Research

Leveraging long-accumulated and sophisticated manufacturing capabilities to extend to new businesses in environmental protection



Environmental protection equipment

The first set of self-developed high-efficiency denitrification reactor was successfully applied during the year, laying the foundation for the expansion of environmental protection equipment and supporting services business.



Hazardous waste disposal

Provide hazardous waste recycling, disposal and logistics services with hazardous waste resource utilization as the goal and harmless disposal as the mean.



Solid waste utilization

Introduce advanced production technology & equipment and utilize general industrial solid waste to produce new ecological functional building materials for use in building decoration walls and industrial noise reduction, etc.

Liquid Food

Global Layout, excellent operation, grasp the wave of consumption upgrade



01



Decent progress in global business

Despite the challenges such as the pandemic, thanks to the growth in demand for liquid food equipment and our early diversified business layout, we have successfully won orders globally and made good progress in several projects.

02



Breakthrough in Baijiu business

The Baijiu business in China made a breakthrough by securing an order of RMB100 million for the Shuijingfang project, laying the foundation for the subsequent expansion of the domestic Baijiu business.

03



Continuing to promote diversified business

The vodka and whisky production construction project of Bacchus Liquor (Chengdu) Co., Ltd. was officially put into operation in Qionglai City, Chengdu, Sichuan Province.

Build Diversified Liquid Food Turnkey Capabilities

Our development strategy is to consolidate our leading position in brewery turnkey capabilities vertically, expand business opportunities in non-beer business such as distilled spirits, baijiu, hard seltzer, juice, dairy products and biopharmaceuticals horizontally, and actively seek new M&A opportunities to improve multi-category turnkey capabilities.



Beer Business

Focus on expanding beer opportunities in Africa and Latin America markets, and actively develop the craft beer market in the Asia Pacific region following the trend of consumption upgrade.

Other Non-Beer Business

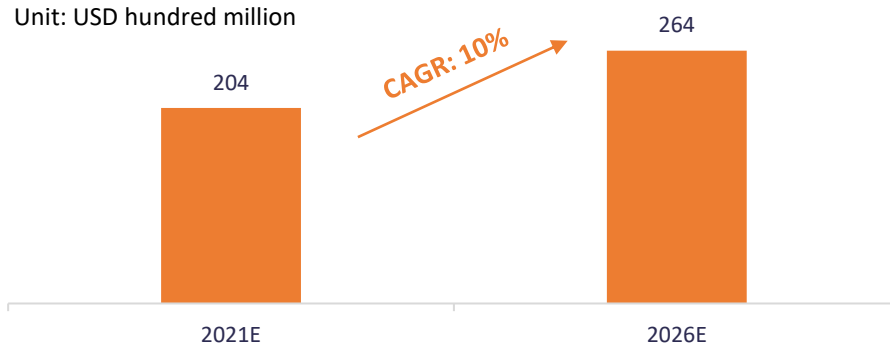
Develop multi-category turnkey capabilities and expand other non-beer businesses such as juice, dairy and pharmaceuticals; expand hard seltzer business to Europe, Oceania and China, etc.

Baijiu Business

Concentrate on the needs of important Baijiu customers and look for quality assets to acquire in order to expand the RMB100 billion market opportunity of equipment and turnkey projects, with a target market share of 30% in 5 years.



Global Beverage Processing Equipment Market Size



Source: Global Beverage Processing Equipment Market by Type, Beverage Type, Mode of Operation and Region

Asia Pacific Beverage Processing Equipment Market Development Opportunities

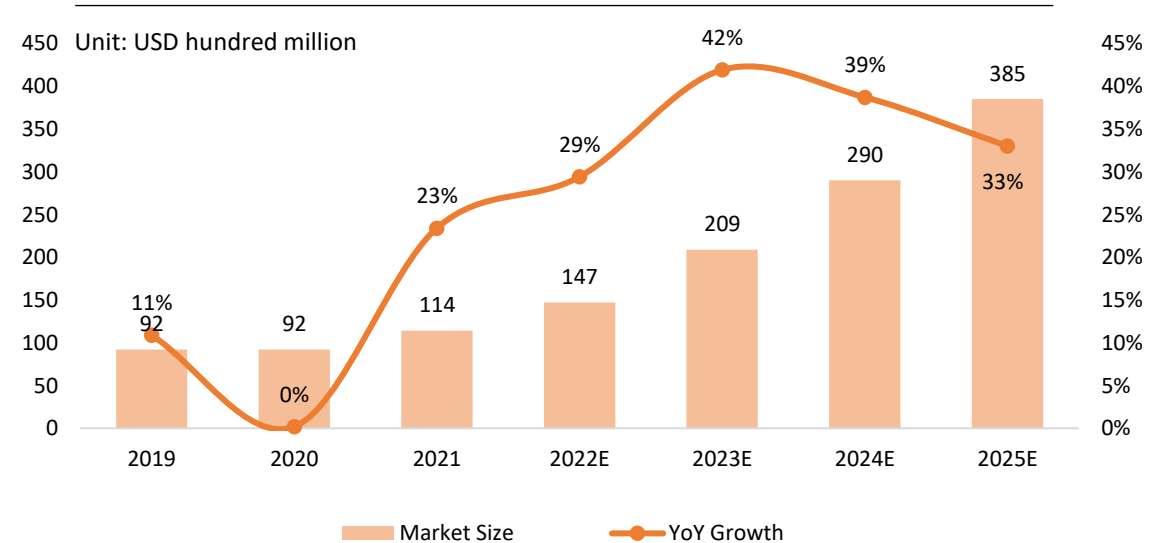
According to *Global Beverage Processing Equipment Market by Type, Beverage Type, Mode of Operation and Region*, the global beverage processing equipment market is expected to reach USD 26.4 billion by 2026, with a CAGR of 5.3%.

In particular, the Asia-Pacific market (China and India) presents a significant opportunity with high potential for new business growth.

Consumption upgrade drives increased penetration of craft beer in China

China's craft beer consumption is expected to reach 2.6 billion liters by 2025, with a penetration rate of 6.7%; the craft beer retail market size will reach RMB104 billion, with a five-year CAGR of 26%; and the craft beer ex-factory market size will reach RMB38.5 billion, with a five-year CAGR of 33%.

China Craft Beer Ex-factory Market Size



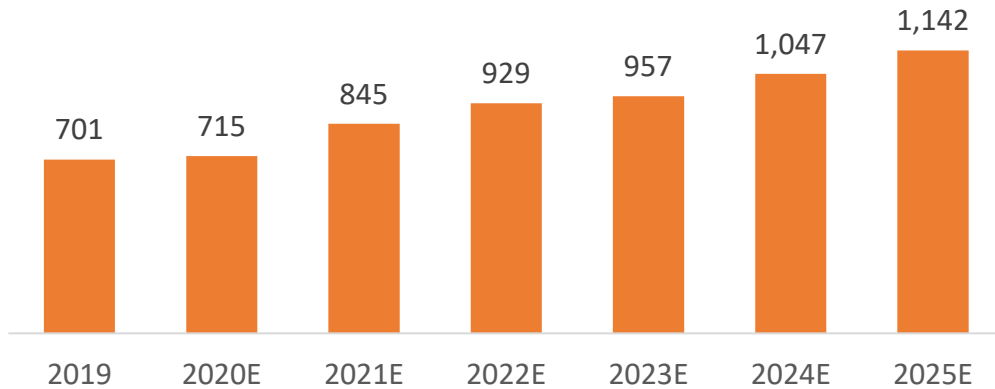
Source: China Alcoholic Drinks Association, Qianzhan Industry Research Institute, Zheshang Securities Research

The brewing, filling and packaging processes of Baijiu production are still at a low level of mechanization. The demand for manual replacement and quality control has prompted Baijiu companies to expand and increase production and carry out intelligent production line transformation. The overall Baijiu equipment market investment is expected to reach RMB114.2 billion by 2025.

By 2030, the global hard seltzer market is expected to reach USD57.34 billion, growing at a CAGR of 19.9%. The shift in consumer preference for low alcohol beverages is expected to be the key factor driving the market growth.

China Baijiu Equipment Market Size Forecast

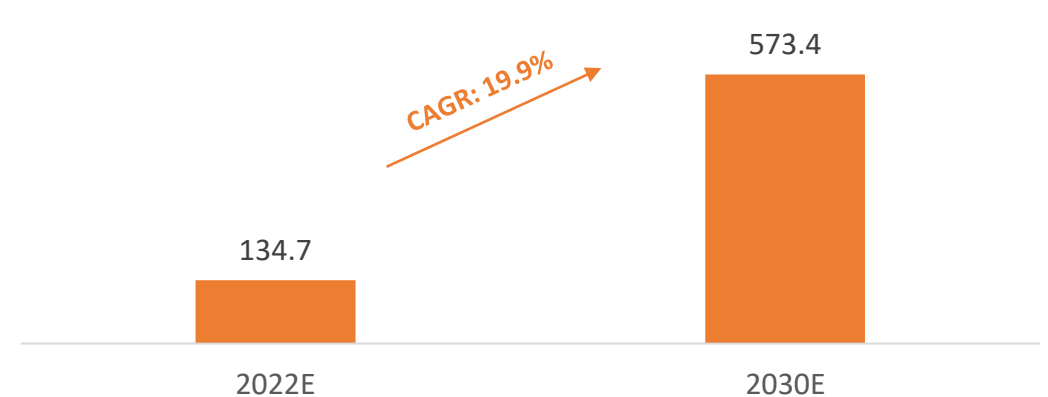
Unit: USD hundred million



Source: National Bureau of Statistics of China, Qianzhan Industry Research Institute, and CIMC Enric's strategic development department to organize and analyze

Global Hard Seltzer Market Size

Unit: USD hundred million



Source: Research And Markets



Q&A



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