CIMC ENRIC

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 2020

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2020	2019	Change
	RMB'000	*RMB'000*	*%*
Revenue	**5,319,352**	6,584,418	-19.2%
Profit attributable to shareholders	**215,993**	382,879	-43.6%
Basic earnings per share	**RMB0.109**	RMB0.196	-44.4%

The Board of Directors (the "**Board**") 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 2020 together with the comparative figures for the corresponding period in 2019.

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

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2020 – unaudited

		Six months ended 30 June	
	Note	**2020**	2019
		RMB'000	*RMB'000*
Revenue	3 & 4	**5,319,352**	6,584,418
Cost of sales		**(4,562,425)**	(5,577,160)
Gross profit		**756,927**	1,007,258
Change in fair value of derivative financial instruments		**(4,312)**	(4,845)
Other revenue		**105,364**	137,672
Other income, net		**67,544**	52,992
Net impairment loss on financial assets	5(c)	**(23,873)**	(13,625)
Selling expenses		**(144,145)**	(185,846)
Administrative expenses		**(469,727)**	(487,707)
Profit from operations		**287,778**	505,899
Finance costs	5(a)	**(23,603)**	(31,452)
Share of post-tax profit of associates		**4,228**	–
Profit before taxation		**268,403**	474,447
Income tax expenses	6	**(63,173)**	(87,014)
Profit for the period		**205,230**	387,433
Attributable to:			
Equity shareholders of the Company		**215,993**	382,879
Non-controlling interests		**(10,763)**	4,554
Profit for the period		**205,230**	387,433
Earnings per share	7		
– Basic		**RMB0.109**	RMB0.196
– Diluted		**RMB0.109**	RMB0.193

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2020 – unaudited

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Profit for the period	**205,230**	387,433
Other comprehensive income		
Items that may be reclassified to profit or loss		
Currency translation differences	**(16,839)**	967
Total comprehensive income for the period	**188,391**	388,400
Attributable to:		
Equity shareholders of the Company	**199,154**	383,846
Non-controlling interests	**(10,763)**	4,554
Total comprehensive income for the period	**188,391**	388,400

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2020 – unaudited

	Note	**At 30 June 2020** *RMB'000*	At 31 December 2019 *RMB'000*
Non-current assets			
Property, plant and equipment		**2,936,585**	2,966,655
Right-of-use assets		**29,279**	33,718
Construction in progress		**497,345**	425,145
Lease prepayments		**570,605**	578,151
Intangible assets		**196,018**	200,152
Investment in associates		**172,756**	161,430
Prepayment for acquisition of equity interests		**–**	50,000
Goodwill		**272,224**	251,962
Deferred tax assets		**100,326**	113,963
		4,775,138	4,781,176
Current assets			
Derivative financial instruments		**1,227**	3,210
Inventories		**3,856,692**	3,676,319
Contract assets		**774,242**	919,042
Trade and bills receivables	8	**2,634,336**	2,715,828
Deposits, other receivables and prepayments		**983,820**	884,109
Amounts due from related parties		**159,179**	128,568
Restricted bank deposits		**243,710**	257,029
Cash and cash equivalents		**2,330,622**	2,534,752
		10,983,828	11,118,857
Current liabilities			
Derivative financial instruments		**3,205**	876
Lease liabilities		**7,670**	8,496
Bank loans		**570,509**	263,955
Loans from related parties		**346,703**	186,402
Other borrowings		**9,683**	21,586
Trade and bills payables	9	**2,241,025**	2,420,392
Contract liabilities		**2,847,647**	2,870,689
Other payables and accrued expenses		**1,336,166**	1,375,569
Amounts due to related parties		**100,797**	84,200
Warranty provision		**97,314**	113,915
Income tax payable		**44,809**	51,226
Employee benefit liabilities		**555**	511
		7,606,083	7,397,817
Net current assets		**3,377,745**	3,721,040
Total assets less current liabilities		**8,152,883**	8,502,216

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2020 – unaudited

	At 30 June 2020 *RMB'000*	At 31 December 2019 *RMB'000*
Non-current liabilities		
Bank loans	**283,180**	544,144
Warranty provision	**93,505**	67,880
Deferred tax liabilities	**210,457**	199,639
Deferred income	**253,868**	235,858
Employee benefit liabilities	**4,255**	4,603
Other borrowings	**46,072**	38,455
Lease liabilities	**24,502**	27,126
	915,839	1,117,705
NET ASSETS	**7,237,044**	7,384,511
CAPITAL AND RESERVES		
Share capital	**18,372**	18,371
Reserves	**6,982,439**	7,117,737
Equity attributable to equity shareholders of the Company	**7,000,811**	7,136,108
Non-controlling interests	**236,233**	248,403
TOTAL EQUITY	**7,237,044**	7,384,511

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2020 – 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*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2019	18,253	341,563	(144,977)	1,124,571	190,679	(359,486)	519,111	4,677,993	6,367,707	178,087	6,545,794
Profit for the period	–	–	–	–	–	–	–	382,879	382,879	4,554	387,433
Other comprehensive income	–	–	–	–	–	967	–	–	967	–	967
Total comprehensive income for the period	–	–	–	–	–	967	–	382,879	383,846	4,554	388,400
Issuance of shares on exercise of share options	17	8,202	–	–	(2,400)	–	–	–	5,819	–	5,819
Shares held for share award scheme – vesting of shares	–	35,652	42,891	–	(35,652)	–	–	–	42,891	–	42,891
Equity-settled share-based transactions	–	–	–	–	28,680	–	–	–	28,680	–	28,680
Transfer to general reserve fund	–	–	–	–	–	–	10,471	(10,471)	–	–	–
Capital contribution by non-controlling interests	–	–	–	–	–	–	–	–	–	37,500	37,500
2018 final dividend paid	–	–	–	–	–	–	–	(246,109)	(246,109)	–	(246,109)
Dividend distribution by a subsidiary to non-controlling interests	–	–	–	–	–	–	–	–	–	(1,915)	(1,915)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	79,307	79,307
Total contributions by and distributions to shareholders of the Company, recognised directly in equity	17	43,854	42,891	–	(9,372)	–	10,471	(256,580)	(168,719)	114,892	(53,827)
At 30 June 2019	18,270	385,417	(102,086)	1,124,571	181,307	(358,519)	529,582	4,804,292	6,582,834	297,533	6,880,367

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020 – 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*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2020	**18,371**	**446,705**	**(101,813)**	**1,124,571**	**162,982**	**(376,758)**	**553,732**	**5,308,318**	**7,136,108**	**248,403**	**7,384,511**
Profit for the period	–	–	–	–	–	–	–	215,993	215,993	(10,763)	205,230
Currency translation differences	–	–	–	–	–	(16,839)	–	–	(16,839)	–	(16,839)
Total comprehensive income for the period	–	–	–	–	–	(16,839)	–	215,993	199,154	(10,763)	188,391
Issuance of shares on exercise of share options	1	166	–	–	(1,493)	–	–	1,443	117	–	117
Purchase of shares under share award scheme	–	–	(18,672)	–	–	–	–	–	(18,672)	–	(18,672)
Shares held for share award scheme – vesting of shares	–	34,257	41,903	–	(34,257)	–	–	–	41,903	–	41,903
Equity-settled share-based transactions	–	–	–	–	6,581	–	–	–	6,581	–	6,581
Transfer to general reserve	–	–	–	–	–	–	12,115	(12,115)	–	–	–
2019 final dividend paid	–	–	–	–	–	–	–	(364,380)	(364,380)	–	(364,380)
Dividend distribution by a subsidiary to non-controlling interests	–	–	–	–	–	–	–	–	–	(1,407)	(1,407)
Total contributions by and distributions to shareholders of the Company, recognised directly in equity	1	34,423	23,231	–	(29,169)	–	12,115	(375,052)	(334,451)	(1,407)	(335,858)
At 30 June 2020	**18,372**	**481,128**	**(78,582)**	**1,124,571**	**133,813**	**(393,597)**	**565,847**	**5,149,259**	**7,000,811**	**236,233**	**7,237,044**

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 2020. The financial statements are presented in Renminbi ("RMB") unless otherwise stated.

This interim financial statements for the six months ended 30 June 2020 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 statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019, 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 2019.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments, where applicable, as a result of adopting the following standards:

- Definition of Material – Amendments to HKAS 1 and HKAS 8
- Hedge accounting (amendments) – HKAS 39, HKFRS 7 and HKFRS 9
- Definition of a Business – Amendments to HKFRS 3, and
- Revised Conceptual Framework for Financial Reporting

The adoption of the amended standards does not have significant impact on the consolidated financial information.

(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 2020 and have not been early adopted:

	Effective for accounting periods beginning on or after
Presentation of financial statements on classification of liabilities – Amendments to HKAS 1	1 January 2022
Business combinations – Amendments to HKFRS 3	1 January 2022
Property, plant and equipment – Amendments to HKAS 16	1 January 2022
Provisions, contingent liabilities and contingent assets – Amendments to HKAS 37	1 January 2022
First-time Adoption of HKFRS – Annual improvements to HKFRS 1	1 January 2022
Financial instruments – Annual improvements to HKFRS 9	1 January 2022
HKFRS 17, Insurance Contracts	1 January 2023
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 new and amended accounting standards have been published that are not mandatory for 30 June 2020 reporting periods and have not been early adopted by the Group. 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	
	2020	2019
	RMB'000	*RMB'000*
Sales of goods	**4,058,090**	4,340,974
Revenue from project engineering contracts	**1,261,262**	2,243,444
	5,319,352	6,584,418

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 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, sale and operation of wide range of equipment for the storage, transportation, processing and distribution of natural gas (in form of liquefied natural gas ("LNG") and compressed natural gas ("CNG") and liquefied petroleum gas ("LPG"). This segment also provides EPC (engineering, procurement and construction) services for clean energy industry such as LNG plants, LNG and liquefied ethylene/ethane gas ("LEG") receiving terminals. In addition, this segment is also engaged in the design, production and sales of small and medium-sized liquefied gas carriers, such as LPG, LNG and LEG carriers, LNG-powered ships fuel supply system and offshore modules. Provision of valued-added services for clean energy industry also forms part of this segment's business.

- 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 chemicals, gaseous chemicals and powder products; and the provision of maintenance service and value-added service for tank containers. This segment is also engaged in the provision of key equipment R&D 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, fruit juice and dairy products; and the provision of engineering, procurement, and construction services for the brewery industry as well as other liquid food industries.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management, which is 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 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 operation are further adjusted for items not specifically attributed to an individual reportable segment, such as finance costs, directors' remuneration, auditors' remuneration and other head office or corporate administrative expenses.

In addition to receiving 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, amortisation and 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.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purpose of resource allocation and assessment of segment performance for the period is set out below.

	Clean energy Six months ended 30 June		Chemical and environmental Six months ended 30 June		Liquid food Six months ended 30 June		Total Six months ended 30 June	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from external customers	**2,993,243**	3,120,071	**1,072,219**	1,932,867	**1,021,611**	1,507,136	**5,087,073**	6,560,074
Inter-segment revenue	**3,958**	932	**25,762**	12,471	**–**	–	**29,720**	13,403
Reportable segment revenue	**2,997,201**	3,121,003	**1,097,981**	1,945,338	**1,021,611**	1,507,136	**5,116,793**	6,573,477
Timing of revenue recognition								
At a point in time	**2,757,550**	2,384,695	**1,097,981**	1,945,338	**–**	–	**3,855,531**	4,330,033
Over time	**239,651**	736,308	**–**	–	**1,021,611**	1,507,136	**1,261,262**	2,243,444
Reportable segment profit (adjusted profit from operations)	**125,768**	185,489	**107,753**	307,400	**74,811**	132,196	**308,332**	625,085

	Clean energy		Chemical and environmental		Liquid food		Total	
	At 30 June 2020	At 31 December 2019	**At 30 June 2020**	At 31 December 2019	**At 30 June 2020**	At 31 December 2019	**At 30 June 2020**	At 31 December 2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment assets	**9,648,732**	9,485,979	**1,793,804**	1,953,214	**2,378,548**	2,652,152	**13,821,084**	14,091,345
Reportable segment liabilities	**4,693,347**	4,908,079	**584,091**	707,496	**1,571,647**	1,612,282	**6,849,085**	7,227,857

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

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**5,116,793**	6,573,477
Elimination of inter-segment revenue	**(29,720)**	(13,403)
Unallocated revenue	**232,279**	24,344
Consolidated revenue	**5,319,352**	6,584,418

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Profit		
Reportable segment profit	**308,332**	625,085
Release/(elimination) of inter-segment profit	**11,805**	(5,725)
Reportable segment profit derived from the Group's external customers	**320,137**	619,360
Finance costs	**(23,603)**	(31,452)
Share of post-tax profit of associates	**4,228**	–
Unallocated operating expenses	**(32,359)**	(113,461)
Consolidated profit before taxation	**268,403**	474,447

	At 30 June	At 31 December
	2020	2019
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**13,821,084**	14,091,345
Elimination of inter-segment receivables	**(229,864)**	(207,087)
	13,591,220	13,884,258
Deferred tax assets	**100,326**	113,963
Unallocated assets	**2,067,420**	1,901,812
Consolidated total assets	**15,758,966**	15,900,033

	At 30 June 2020 *RMB'000*	At 31 December 2019 *RMB'000*
Liabilities		
Reportable segment liabilities	**6,849,085**	7,227,857
Elimination of inter-segment payables	**(229,864)**	(207,087)
	6,619,221	7,020,770
Income tax payable	**44,809**	51,226
Deferred tax liabilities	**210,457**	199,639
Unallocated liabilities	**1,647,435**	1,243,887
Consolidated total liabilities	**8,521,922**	8,515,522

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

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Six months ended 30 June 2020 *RMB'000*	2019 *RMB'000*
Interest on loans, lease liabilities and other borrowings	**19,948**	22,895
Less: interest capitalised	**(1,123)**	–
Bank charges	**4,778**	8,557
	23,603	31,452

(b) Other items

	Six months ended 30 June 2020 *RMB'000*	2019 *RMB'000*
Research and development costs	**130,088**	125,015
Depreciation of property, plant and equipment	**127,512**	120,922
Provision for product warranties	**30,599**	31,030
Amortisation of intangible assets	**18,508**	17,758
Operating lease charges for property rental	**10,953**	12,132
Amortisation of lease prepayments	**7,546**	7,671
Equity-settled share-based payment expenses	**6,581**	28,680
Depreciation of right-of-use assets	**4,482**	2,519

(c) Net impairment loss on financial assets

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Impairment provision for trade receivable	**38,338**	24,989
Impairment provision/(reversal) of impairment provision for other receivables and contract assets	**2,323**	(108)
Reversal of impairment provision for trade receivables	**(16,788)**	(11,256)
	23,873	13,625

6 INCOME TAX EXPENSES

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Current income tax	**56,800**	73,873
Deferred income tax	**6,373**	13,141
	63,173	87,014

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 certain foreign subsidiaries of the Group are regarded as Chinese resident enterprises. Therefore, during the six months ended 30 June 2020, no deferred withholding tax was provided for the distributable profits of PRC subsidiaries.

Taxation of subsidiaries in the Netherlands, Belgium, Denmark, Germany, United Kingdom and Singapore are charged at the prevailing rates of 25%, 33.99%, 25%, 30%, 20% 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	
	2020	2019
	RMB'000	*RMB'000*
Earnings		
Earnings for the purposes of basic and diluted earnings per share	**215,993**	382,879

	Six months ended 30 June	
	2020	2019
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,983,754,211**	1,957,822,779
Effect of dilutive potential ordinary and restricted shares in respect of the Company's share options scheme and restricted share award scheme	**5,913,577**	23,246,269
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,989,667,788**	1,981,069,048

8 TRADE AND BILLS RECEIVABLES

An ageing analysis of trade and bills receivables, presented on the basis of the past due date and categorised into time-bands based on analysis used by the management to monitor the Group's financial position, is as follows:

	At 30 June	At 31 December
	2020	2019
	RMB'000	*RMB'000*
Current	**2,000,610**	1,933,485
Less than 3 months past due	**206,951**	372,202
More than 3 months but less than 12 months past due	**289,818**	254,569
More than 1 year but less than 2 years past due	**75,950**	91,857
More than 2 years but less than 3 years past due	**23,661**	23,327
More than 3 years past due	**37,346**	40,388
Amounts past due	**633,726**	782,343
	2,634,336	2,715,828

In general, debts are due for payment upon billing. Subject to negotiation, credit terms up to twelve months are available for certain customers with well-established trading and payment records on a case-by-case basis.

The carrying amount of trade and bills receivables approximate their fair values.

9 TRADE AND BILLS PAYABLES

	At 30 June 2020 *RMB'000*	At 31 December 2019 *RMB'000*
Trade creditors	**1,992,492**	2,155,947
Bills payables	**248,533**	264,445
	2,241,025	2,420,392

An ageing analysis of trade and bills payables of the Group is as follows:

	At 30 June 2020 *RMB'000*	At 31 December 2019 *RMB'000*
Within 3 months	**1,605,277**	2,020,582
3 months to 12 months	**451,626**	217,230
Over 12 months	**184,122**	182,580
	2,241,025	2,420,392

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

10 DIVIDENDS

Final dividend of RMB364,380,000 in relation to the year ended 31 December 2019 was paid in 2020 (final dividend of RMB246,109,000 in relation to the year ended 31 December 2018 was paid in 2019).

The Board of Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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 for the clean energy, chemical and environmental, and liquid food industries.

Product portfolio and brands

The three business segments of the Group mainly comprise the following products under different brand names:

Clean Energy: this segment specialises in the manufacture, sale and operation of a wide range of equipment for the storage, transportation, processing and distribution of natural gas (in form of liquefied natural gas ("**LNG**") and compressed natural gas ("**CNG**")) and liquefied petroleum gas ("**LPG**"). This segment also provides engineering, procurement and construction ("**EPC**") services for clean energy industry such as LNG plants, LNG and liquefied ethylene/ethane gas ("**LEG**") receiving terminals. In addition, this segment is also engaged in the design, production and sales of small and medium-sized liquefied gas carriers, such as LPG, LNG and LEG carriers, LNG-powered ship fuel supply system and offshore module. Provision of value-added services for clean energy industry also forms part of this segment's business.

The segment uses several brand names, such as "**Enric**", "**Sanctum**", "**Hongtu**", "**CIMC Tank**", "**Hashenleng**", "**YPDI**", "**CIMC SOE**" and "**Anjiehui**".

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 chemicals, gaseous chemicals and powder products; and the provision of maintenance service and value-added service for tank containers. This segment is also engaged in the provision of key equipment R&D and manufacturing, and professional consulting service in relation to environmental protection.

The products and service of this segment are branded under the names "**CIMC Tank**" and "**Tankmiles**".

Liquid food: this segment specialises in the engineering, manufacture and sale of stainless steel tanks for storage and processing liquid food such as beer, fruit juice and dairy products; and the provision of engineering, procurement, and construction services for the brewery industry as well as other liquid food industries.

The products and service of this segment are branded under the names "**Ziemann Holvrieka**", "**Briggs**", "**DME**", "**NSI**" and "**McMillan**".

Revenue

During the first half of 2020, due to the outbreak of novel coronavirus ("**COVID-19**") pandemic, governments of various countries have implemented different levels of quarantine and lockdown measures which severely affected the global economic activities and international trading activities. These, in turn, triggered a fall in the demand for storage and transportation equipment used for internationally traded liquid chemical and industrial gases and a lower level of order intake for this transportation equipment. Therefore, the chemical and environmental segment's revenue for the period experienced a decline. Moreover, some staff of the Group had difficulty in reporting duty which affected production, and the supply chain and other commercial activities were also adversely affected, causing delay in production activities; due to suspension of customers' business operations, the Group's on-site construction projects (especially projects in overseas) were delayed to various extents. Since the production activities and business operation of the Group's subsidiaries located in China and overseas had been adversely affected to various extents, resulting in delayed fulfillment of orders especially for both the clean energy and the liquid food segments. Consequently, the Group was unable to fully convert the orders on hand into revenue during the reporting period.

Nevertheless, the Group did not experience any cancellation of orders due to the pandemic. With the pandemic gradually getting under control, the Group is confident that in the second half of 2020, it will make up the progress in those delayed orders and on-site construction projects and expects to fulfill delivery of good and services that were originally scheduled for completion in the first half of 2020. The consolidated revenue for the first half of 2020 fell by 19.2% to RMB5,319,352,000 (corresponding period in 2019: RMB6,584,418,000). The performance of each segment is discussed below:

During the first half of 2020, the clean energy segment's revenue fell by 4.1% to RMB2,993,243,000 (corresponding period in 2019: RMB3,120,071,000) mainly because of delay in delivery and fulfillment of customers' order due to the suspension of production and on-site work caused by the COVID-19 lockdown measures. However, this was mitigated to some extent by the rise in sales of on-vehicle LNG fuel tanks in response to an increased demand for LNG-powered heavy-duty trucks with China adopting a more stringent vehicle emission standard. The segment remains the top grossing segment and contributed 56.3% (corresponding period in 2019: 47.4%) of the Group's total revenue.

As the two years of 2017 and 2018 recorded substantial revenue increase, the demand for standard tank containers has been declining since the second half of 2019. Coupled with the pandemic's negative impact on international trade, the chemical and environmental segment's revenue posted a fall of 44.5% to RMB1,072,219,000 (corresponding period in 2019: RMB1,932,867,000). The segment made up 20.2% of the Group's total revenue (corresponding period in 2019: 29.4%).

Since most of the liquid food segment's business involves on-site construction, there were a large degree of delay in performing on-site construction work during the period and project deliveries were behind schedule. Therefore, the liquid food segment's revenue experienced a drop of 32.2% to RMB1,021,611,000 during the period (corresponding period in 2019: RMB1,507,136,000). The segment accounted for 19.2% of the Group's total revenue (corresponding period in 2019: 22.9%).

Gross profit margin and profitability

The clean energy segment's gross profit margin ("**GP margin**") fell to 12.8% (corresponding period in 2019: 14.3%). The fall is mainly because the factories experienced different degrees of production suspension, the production capacity was reduced by 1.5 months compared with same period last year and adversely affected clean energy segment's economies of scale and hence its GP margin performance. As for the chemical and environmental segment, its GP margin saw a slight boost from 15.4% in the same period last year to 16.2% during the period. The demand for standard tank containers (with relatively lower GP margin) saw a higher level of decline while that for special tank containers (with relatively higher GP margin) experienced a lower level of decline and further impacted by the segment's service revenue that commands a higher GP margin; this change in the product and service mix slightly boosted the segment's GP margin in the period. As most of the liquid food segment's business involves on-site construction, during the period most projects of the segment recognised gross profit at the budgeted GP margin range as usual and the current period's GP margin of the segment is comparable to 2019's annual GP margin of 19.4%.

As both chemical and environmental and liquid food segments, which both have relatively higher GP margin than clean energy segment, decreased their revenue contributions in comparison with clean energy segment, causing the Group's overall GP margin to drop by 1.1 percentage points to 14.2% (corresponding period in 2019: 15.3%).

In response to the challenging business environment, the management of the Company has been closely monitoring market conditions and has implemented a series of measures to expand income sources and control costs, including but not limited to proactively increasing order intakes, negotiating with business partners for more favourable terms, controlling and reducing unnecessary capital expenditure and expenses.

Profit from operations expressed as a percentage of revenue declined by 2.3 percentage points from 7.7% from the same period last year to 5.4% during the current period which indicates the Group's operating expenses did not decline at the same rate as gross profit did. A decline in gross profit and administrative expenses falling at a slower rate than revenue combined to cause profit from operations to fall by 43.1%.

During the period, income tax expense fell by 27.4% to RMB63,173,000 (corresponding period in 2019: RMB87,014,000) and the effective tax rate rose from 18.3% in the same period of 2019 to 23.5% in the current period. The rise in the effective tax rate comparing with the same period last year was mainly attributable to a change in the mix of profit before taxation contribution from different segments with the clean energy and liquid food segments that have higher tax rates contributing more than chemical and environmental segment.

FINANCIAL REVIEW

Liquidity and financial resources

At 30 June 2020, the cash and cash equivalents of the Group amounted to RMB2,330,622,000 (31 December 2019: RMB2,534,752,000). A portion of the Group's bank deposits totalling RMB243,710,000 (31 December 2019: RMB257,029,000), which had more than three months of maturity at acquisition, were restricted for guarantee of banking facilities. 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. Consistently, the Group has been cautious in managing its financial resources and will constantly review and maintain an optimal gearing level.

At 30 June 2020, the Group's bank loans and overdrafts amounted to RMB853,689,000 (31 December 2019: RMB808,099,000), other than syndicated bank loan and term loan with tenors of three years for business development and working capital, the remaining is repayable within one year. Apart from the syndicated bank loan denominated in USD and 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 1.88% to 4.35% per annum. At 30 June 2020, the Group did not have any secured bank loan (31 December 2019: nil) nor any bank loan that was guaranteed by the Company's subsidiaries (31 December 2019: nil). As at 30 June 2020, loans from related parties amounted to RMB346,703,000 (31 December 2019: RMB186,402,000), which are unsecured, interest bearing from 3.40% to 4.75% (31 December 2019: 4.2% to 5.44%) per annum and repayable within one year.

The net gearing ratio, which is calculated by dividing net debt over equity, was zero times (31 December 2019: zero times) as the Group retained a net cash balance of RMB1,130,230,000 (31 December 2019: RMB1,480,210,000). The decrease in net cash balance is mainly attributable to outflow from financing and investing activities but offset to some extent by the inflow from operating activities.

Despite a decreased revenue, the Group maintained an inflow from operating activities of RMB227,466,000 (corresponding period in 2019: outflow of RMB296,124,000) mainly due to a more stringent control on operational payments and accounts receivable collection. Moreover, the balance of trade and bills receivables declined from RMB2,715,828,000 at 31 December 2019 to RMB2,634,336,000 at 30 June 2020 also contributed to the inflow from operating activities. The Company is confident that by exercising the right measures and controls, the Company will maintain a net operating cash inflow over the long run.

The net cash used in investing activities amounted to RMB214,663,000 (corresponding period in 2019: RMB258,613,000). This is mainly attributable to the acquisition of non-current assets for production and operation which amounted to RMB162,161,000 (corresponding period in 2019: RMB146,603,000), and acquisition of subsidiaries and capital contribution to associates totalling RMB64,228,000 (corresponding period in 2019: RMB132,558,000).

The net cash used in financing activities amounted to RMB217,585,000 (corresponding period in 2019: RMB527,633,000). This is mainly because during the period, 2019 final dividends paid to the Company's shareholders amounted to RMB364,380,000, increased by RMB118,271,000 compared with corresponding period in 2019. However, the net drawdown of bank loans and loans from related parties amounted to an inflow of RMB193,676,000 (corresponding period in 2019: net repayment of RMB294,730,000) and to offset to extent the dividend payout.

As a result, the cash outflow of the Group during the period totalled RMB204,782,000 (corresponding period in 2019: RMB1,082,370,000).

The Group's interest coverage was 14.5 times for the period (corresponding period in 2019: 21.7 times) which demonstrates the Group is fully capable of meeting its interest expense obligations. While the Group is still in a stable financial position and able to fulfill its interest obligations, the Group will further strengthen control over its cash resources in response to the COVID-19 induced global economic downturn to ensure the Group's ability to navigate through these troubled times.

Assets and liabilities

At 30 June 2020, total assets of the Group decreased by RMB141,067,000 to RMB15,758,966,000 (31 December 2019: RMB15,900,033,000). Non-current assets decreased by RMB6,038,000, current assets decreased by RMB135,029,000. At 30 June 2020, total liabilities of the Group increased by RMB6,400,000 to RMB8,521,922,000 (31 December 2019: RMB8,515,522,000). The net asset value declined by RMB147,467,000 to RMB7,237,044,000 (31 December 2019: RMB7,384,511,000) which was mainly attributable to the payment of 2019's final dividend of RMB364,380,000 and was offset to some extent by the net profit of RMB205,230,000 during the period. As the total liabilities increased and the total assets decreased, the Group's debt to asset ratio slightly rose to 54.1% at 30 June 2020 from 53.6% at 31 December 2019. As a result, the net asset value per share declined slightly to RMB3.600 at 30 June 2020 from RMB3.673 at 31 December 2019.

Contingent liabilities

At 30 June 2020, the Group had outstanding balance of guarantees issued by relevant banks totaling RMB592,602,000 (31 December 2019: RMB369,932,000).

CIMC Enric Investment Holdings (Shenzhen) Ltd. ("**EIHL**") received certain litigation papers including notification calling for responses to the action and summons served by the Jiangsu Province High People's Court in December 2018, where SOEG PTE LTD ("**SOEG**") claims, amongst other things, that EIHL should pay for the remaining balance of the equity transfer of RMB153,456,000 in relation to the acquisition of equity interest in Nantong SinoPacific Offshore & Engineering Co., Ltd 南通太平洋海洋工程有限公司 (now known as Nantong CIMC SinoPacific Offshore & Engineering Co., Ltd 南通中集太平洋海洋工程有限公司) from SOEG in 2015. In June 2020, the court rendered the judgment of first instance in dismissing the claims made by SOEG. Subsequently, SOEG disputed the judgment of first instance and filed an appeal in July 2020. The time for second instance is yet to be determined. After considering the current status of the litigation and opinion from independent legal counsels, no provision was considered necessary for the litigation claims as at 30 June 2020.

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 an extent by bank loans. 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.

At 30 June 2020, the Group had contracted but not provided for capital commitments of RMB110,826,000 (31 December 2019: RMB97,062,000), while the Group did not have any authorised but not contracted for capital commitments (31 December 2019: 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 2020, the Group invested RMB229,981,000 (corresponding period in 2019: RMB290,305,000) in capital expenditure for expansion of production capacity, general maintenance of production capacity and new business ventures.

Employees and remuneration policies

At 30 June 2020, the total number of employees of the Group was approximately 9,800 (corresponding period in 2019: approximately 10,000). Total staff costs (including Directors' emoluments, retirement benefits schemes contributions and equity-settled share-based payment expenses) were approximately RMB773,483,000 (corresponding period in 2019: RMB864,635,000). The decline in total staff costs were mainly attributable to a reduced production level, lower expenditure and the fall in equity-settled share-based payment expenses during the period.

During the period, the Company adopted the Share Award Scheme 2020 (the "**Scheme**") with the intention to (a) provide employees and other eligible participants with an opportunity to own shares in the Company thereby aligning their interests with that of the Company's shareholders; (b) motivate employees and other eligible participants to benefit from value enhancement through attainment of performance targets; and (c) encourage and retain employees and other eligible participants to contribute to the long-term and sustainable growth of the Group. The Scheme forms part of the overall incentive plan for the employees of the Group and the shares to be granted under the Scheme shall be in lieu of part of the cash bonus awarded under the overall incentive plan.

Save as disclosed above, there have been no material changes in respect of employee incentive and bonus policies, the share option scheme, restricted share award scheme and training scheme as disclosed in Annual Report 2019.

PROSPECTS

Clean Energy

Prospects

Benefitting from the rapid control over the outbreak of COVID-19 in China, the resumption of work and production has been proceeding in an orderly manner and the economic recovery in China has been under way since the second quarter of 2020 with positive outlook in general. Natural gas consumption in China for the first half of 2020 continued to grow by 4% over the same period of 2019 to 155.6 billion cubic metres. The sufficient global supply of LNG maintained the LNG price at a low level in the first half of 2020, stimulating the domestic LNG consumption to 15.24 million tonnes for the first half of 2020, representing a year-on-year increase of 24%. Such an increase has bolstered a significant growth in demand for LNG transportation, storage and down-stream application equipment.

Following the implementation of the "Three-Year Action Plan for Winning the Blue Sky Defense Battle" for nearly two years, emission of major pollutants has significantly reduced but challenges remain. For example, emission of multiple major pollutants including sulphur dioxide in "2+26" cities has been in excess of 50% of environmental capacity. Ministry of Ecology and Environment prepared to launch an upgraded action plan which will be implemented by local governments. Control of PM 2.5 pollution has remained the key task of ecological and environmental protection under the "14th Five-Year Plan", industrial coal-to-gas conversion, natural gas heating and natural gas as fuel in transportation will create an enormous growth potential for natural gas. It is expected that the proportion of natural gas in primary energy consumption will continue to grow during the "14th Five-Year Plan" period.

With IMO regulations to reduce sulphur oxide emission came into force, more ships are converting to dual-fuel or LNG powered system. The economical benefits of LNG and policies on environmental protection have stimulated high demand for installation of on-board LNG fuel tank and LNG bunkering facilities correspondingly. In June 2020, the first LNG maritime bunkering centre in China was confirmed to be developed at a port in Shenzhen, seeing huge development potential in LNG maritime bunkering market.

Driven by the positive factors above, we are of the view that the Group's clean energy segment will benefit in general and maintain stable and rapid development in a long run.

Future plans and strategies

Adhering to the core business of "equipment manufacturing + project engineering service + integrated solution" as the main path, the segment will actively track with national policies, and strategically covers the entire natural gas industry value chain, with a special emphasis on building full product portfolio to cover the whole LNG and LPG business chains, while continuously adjusts and optimises the high pressure equipment business including industrial gases (such as oxygen, nitrogen, argon and carbon dioxide), electron gas and CNG, with a view of seizing new opportunities in the development of unconventional natural gas processing and applications equipment and offshore LNG applications.

In the meantime, to seize opportunities arising from the growing trend of low-carbon economy and accelerated pace of clean energy application around the world, the segment will further integrate its overseas energy business and commit greater resources to the clean energy sector, such as marine gas storage and transportation, LNG powered ships, marine fuel tanks and related gas supply system, liquid helium tank container and small-sized skid-mounted liquefaction unit for well-head gas. The segment is negotiating for strategic cooperation with Hexagon, a company listed in Norway, for the development of the market of transportation and storage equipment for hydrogen in China, with an aim to create a new momentum for growth.

Chemical and Environmental

Prospects

There has been organic growth and replacement growth in demand for tank container, the overall demand has maintained relatively stable even though annual demand may vary. In a long run, with replacement and upgrade of conventional transportation mode for chemical industry, as well as growing awareness of safety, eco-friendliness and high efficiency of transportation of dangerous goods, demand for tank containers in the emerging markets will increase, providing a growth momentum for the development of global tank container market. In conclusion, a green logistics mode with safer, more economical, more environmental-friendly and smarter applications will become the big trend of chemical transportation industry. Further, as the number of new chemical mediators and derivatives continue to emerge in line with the development of chemical industry, a relatively significant growth in special tank container market is expected.

In 2020, overall demand for tank container has plunged due to the impacts of the global outbreak of COVID-19, further deteriorating competitive landscape in the market. As tank container manufacturing is going through an industry reshuffle and a substantial shrinkage in business volume of our competitors at home and abroad is inevitable, this segment has to withstand short-term pressure, but our market position will be further consolidated in the long run. Meanwhile, there is restructuring of chemical industrial parks and tightened regulation on standardised operation by the Chinese government. We will continue expanding the network for provision of after-sales services, which is favourable in enhancing the integrated competitiveness of our core business.

With an increasingly stringent policy on environment being imposed by the government in China, development of the industries dealing with water pollution, air pollution and solid wastes have been expedited, encouraging the development of the overall environmental protection industry. In addition, escalating effort has been putting in maintaining clean water, dealing with air pollution, soil pollution and industrial solid wastes by the government in China for years, providing on-going favourable factors for the development of enterprises engaged in environmental related sector.

Future Plans and Strategies

The Group's chemical and environmental segment will continue to enhance R&D and market development. On top of strengthening our leading position in the market for standard tank containers, we will endeavour to expand applications of special tank containers. Through development of partnerships with customers on all fronts throughout the entire service cycle, upgrade of manufacturing capacity of production lines, informatisation, automatisation, quality optimisation and other initiatives, we will further consolidate our core competitiveness in the tank container business and maintain our leading position in the industry. While reinforcing the tank equipment manufacturing business, the segment will also actively strive to introduce intelligent features to its products, aiming to help customers enhance their operating efficiency and materialise intelligent logistics with the use of internet of things. Accelerating global expansion and further development of our brand influence will take place to increase our competitive strength and market share, and better value-added services will be provided to further boost our customers' satisfaction and loyalty.

This segment endeavours to enter the environmental industry – an emerging industry that integrates equipment manufacturing, engineering and operation services, which has large market potentials and considerable profitability. In particular, the area of industrial solid waste recycling and comprehensive utilisation, which has high entry barrier in terms of technology and qualification, presents an enormous potential for development. Given our core capacity of equipment manufacturing as the foundation, our technological invention in environmental protection sector as the core competitive strength and our hazardous waste disposal business as the key development direction, the segment will build up its capacity in whole-industry-chain, expand towards resource utilisation through standardisation, facilitating innovative development of environmental protection business.

Liquid Food

Prospects

Through the renowned brands of "Ziemann Holvrieka", "Briggs", "DME", "NSI" and "McMillan", the Group's liquid food segment possesses competitive strengths which are derived from its world-leading capabilities in design, manufacture and project engineering of breweries, brewery equipment and distilleries, proven business results and global brand influence. Meanwhile, the diverse geographic locations of production facilities in Europe and China have afforded a solid ability in global coordination over production, procurement, operation and regional marketing.

The acquisition of Briggs Group Limited in 2016, with headquarters located in the UK, strengthened the segment's design and process capabilities in breweries, pharmaceutics and distilleries. Integration of Briggs has proven to be successful. In the first half of 2020, the segment also acquired 100% equity interest in McMillan (Coppersmiths & Fabricators) Ltd., a manufacturer of copper distilling and brewing equipments in the UK, such move will effectively consolidate segment's liability in supplying the whole value chain of the distilled liquor industry. We aim to become the largest supplier worldwide to the distilled liquor industry, striving to generate more opportunities for revenue and profit growth. In addition, the purchase of the selected assets of the DME Group on 5 March 2019 strengthens the segment's position in supplying the craft beer industry.

Future Plans and Strategies

In the future, the liquid food segment will expand globally and diversify to equipment and project engineering for the manufacturing of food items other than beer, following a two-dimensional approach covering vertically beer production and horizontally other liquid food businesses, leveraging its core technologies and strengths in EPC contracting.

The liquid food segment constantly reviews and develops its strategy, to gain opportunities in which it can excel and enhance its business position. For vertical diversification, the segment continues to enhance its capabilities to offer turnkey solutions for brewing and strives to develop and deliver such services and products to our customers. For horizontal diversification, the segment strives to proactively develop businesses for other liquid food industries apart from beer, such as distilled liquor processing, juice storage & transportation and dairy product processing.

CORPORATE GOVERNANCE

The Company complied with all the code provisions of the Corporate Governance Code contained in 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 2020.

The latest corporate governance report of the Company is set out in the Annual Report 2019. Details of each of the audit committee, the remuneration committee and the nomination 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 2020, the trustee of Scheme purchased on the Stock Exchange a total of 5,774,000 shares for a total consideration of approximately HKD20,675,000 (equivalent to approximately RMB18,821,000) pursuant to the terms of the trust deed under the Scheme.

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 2020.

DIRECTORS

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

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

Hong Kong, 20 August 2020

The Interim Report 2020 will be dispatched to the shareholders and published on the websites of the Company and the Stock Exchange.