

[For Immediate Release]



## CIMC Enric Announces 2018 Annual Results

(stock code: 3899)

### CIMC Enric Profit attributable to shareholders increased by 87.0% in 2018 with Growth in 3 major segments

#### FINANCIAL HIGHLIGHTS

Year ended 31 December

	2018 RMB'000	2017 RMB'000 (restated)	Change
Revenue	13,051,651	10,706,590	21.9%
Profit from operations	1,098,087	743,960	47.6%
Profit for the year	782,450	422,898	85.0%
Profit attributable to shareholders	785,502	420,077	87.0%
Earnings per share			
– Basic	RMB0.403	RMB0.217	85.7%
– Diluted	RMB0.398	RMB0.215	85.1%

(21 March 2019 – Hong Kong) - CIMC Enric Holdings Limited (“CIMC Enric” or “the Group”, SEHK stock code: 3899), today announces its audited annual results for the year ended 31 December 2018.

Chairman and Executive Director of CIMC Enric Mr. Gao Xiang commented, “The Group’s various business segments performed well. The increase in the import of natural gas in China especially LNG, substantially boosted the demand for the Group’s natural gas equipment. The revenue from chemical and environmental segment increased because of increased level of activities in the global chemical industry. Also, the revenue from liquid food segment posted a growth due to industry sustain growth and a successful M&A strategy. As a result, the revenue for 2018 rose by 21.9% to RMB 13,051,651,000 (2017: RMB 10,706,590,000).”

#### OPERATIONAL PERFORMANCE

Profit attributable to shareholders increased 87.0% to RMB 785,502,000 (2017: RMB 420,077,000). Basic earnings per share and diluted earnings per share were RMB 0.403 (2017: RMB 0.217) and RMB 0.398 and (2017: RMB 0.215) respectively.

During the year, the clean energy segment’s revenue rose by 21.5% to RMB 6,027,083,000 (2017: RMB 4,958,683,000). This mainly due to the increase in import of natural gas in China, especially

LNG, which substantially boosted the demand for the Group's natural gas equipment and services in 2018. As a matter of fact, the Group's natural gas transportation and storage equipment benefited the most. On the other hand, the Group's natural gas application equipment saw a slight decline in revenue which to some extent offset the revenue growth from storage and transportation equipment. At the same time, the revenue of Group's other clean energy equipment (other than natural gas), remained stable. The segment remains the top grossing segment and accounted for 46.2% of the Group's total revenue (2017: 46.3%).

The chemical and environmental segment's revenue increased by 24.5% to RMB3,768,279,000 (2017: RMB3,026,389,000) mainly because of increased level of activities in the global chemical industry which raised the demand for tank containers. Moreover, the appreciation of USD against RMB during the year has also contributed to the revenue growth of this segment as most of the segment's products are priced in USD. The segment made up 28.9% of the Group's total revenue (2017: 28.3%).

The liquid food segment's revenue posted a growth of 19.1% to RMB3,198,237,000 during the year (2017: RMB2,686,204,000) due to industry sustain growth and a successful M&A strategy. The segment accounted for 24.5% of the Group's total revenue (2017: 25.1%).

## **Prospects**

### **Clean Energy Segment**

In comparison with 2017, there was no large-scale gas undersupply in China during the year, thanks to the stronger joint efforts among enterprises to ensure supply and better coordination among different authorities. During the year, surplus gas was shipped from Hainan to Shandong and Liaoning using LNG marine tank containers for the first time. All the 130 LNG tank containers used in this "South-to-North Gas Transportation" were developed and manufactured by CIMC Enric. Security in supply and relative stability in prices are hallmarks of a maturing natural gas industry in China. In the long run, this will benefit applications relating to downstream application, especially those on-vehicle equipment. In order to ensure sustainable development for China's natural gas industry, shortage in domestic gas peak-shaving storage capacity should be tackled by stepping up infrastructure construction. CIMC Enric is committed to the provision of "equipment + engineering + finance" gas peak-shaving storage bundled solutions for customers and there was a notable growth in sales orders in 2018.

The coming decade will be a golden period for natural gas development in China, and the import of natural gas, in particular LNG, is expected to sustain rapid growth. Moreover, with the recent progress in Sino-U.S. trade talks, the volume of Sino-U.S. trade in energy, such as natural gas and ethane, is expected to increase, which would benefit the segment directly. Other than imports, there will also be stable increase in the domestic production of gas, especially unconventional natural gas. The segment will leverage its capability in equipment and engineering integration to explore business opportunities arising from unconventional natural gas key equipment and total solutions.

In close tandem with market trends, the Group's clean energy segment will pursue strategies such as the optimisation of operation, capacity integration and business synergy, as it continues to reinforce and expand its general capabilities in key equipment manufacturing, engineering services and solutions for natural gas storage, transportation and other applications, in a bid to develop businesses along the entire industry chain, especially expansion in offshore LNG applications (such as small- and-medium-sized multi-gas carriers, LNG marine fuel tanks). At the same time, this

segment will vigorously develop solutions for the transportation of clean energy and fuel comprising mainly natural gas, energy fuel, city gas peak-shaving storage and LNG intermodal transportation, as well as actively explore diversification to other businesses in the clean energy business chain, in order to secure sustainable and stable development.

### ***Chemical and Environmental Segment***

We are the world's only company with capabilities in the design, manufacture and sales of a full range of tank containers, including standard liquid tank containers, various types of special liquid tank containers, gas tank containers, powder tank containers and cryogenic tank containers. Branded under "CIMC Tank", the Group's tank container, has maintained the top position in the global market for 15 years in a row.

As an upgrade product of the traditional container, the tank container is primarily used for the transportation and storage of specialised goods, such as hazardous chemicals. It has strong leakproof qualities and can be reused for multiple times in a relatively long life cycle for intermodal transportation (i.e. marine, road and rail transportation). The tank container has the merits of being safe, cost-effective, eco-friendly and efficient, and has been widely used in Europe and America for many years. The rapid development of the chemical sector in emerging markets, such as China, Southeast Asia, India and Russia, has directly driven their demand for tank containers.

With the further promotion of tank containers as a smarter green logistics model in the global chemical logistics industry, this segment is expected to report stable growth in the coming years. The Group's chemical and environmental segment will remain committed to the provision of chemical logistics solutions and one-stop services for customers, with a view to further cementing its leading position in the global market. Meanwhile, we will develop abilities to provide customers with after-sales services for tank containers, so as to build a tank container-based new model for the Internet of Things ("IOT") to help customers strengthen digitalisation and improve efficiency.

Supported by national policies on environmental protection, this segment is developing capabilities for the manufacturing and systems integration of eco-friendly equipment and actively exploring business opportunities in environmental management based on China's requirements for solid and hazardous waste treatment. Therefore, the Group is looking forward to the segment's thriving development in the future.

### ***Liquid Food Segment***

Processing equipment for liquid food together with the stainless-steel tank business are considered key competences of the liquid food segment. The Group is well recognised in various markets like juice, beer, distilling and dairy for their product portfolio and quality. Through the brands "Ziemann Holvrieka" and "Briggs", the Group possesses competitive strengths which are derived from its world-leading capabilities in design, manufacture and project engineering for the liquid food industry.

With the integration of Briggs into the Group, the Group secured a stronger position in the distilling market and the Group's ambition is to further develop the EPC project offerings by focusing on the requirements of the customers and the Group's competences for process equipment and turnkey projects, also in the distilling market. After being successful in North and South Americas, core focus for Briggs will be on entering the Asian market.

On 5 March 2019, the segment completed the purchase of selected assets of DME Group's from its

receiver. Based in Charlottetown (Canada), DME Group was a leading designer and manufacturer of equipment for the craft brewing sector in North America. This purchase will contribute to the segment's position in the North American market.

Future growth of the segment will come via development of the current businesses in existing markets, the introduction of new products and services, and via further diversification by using existing equipment and services into new markets. To the Group's customers, the segment would continue to supply the most reliable, economical, innovative and solutions and products, in order to enable them an efficient, cost effective, sustainable production and having the highest quality and safety standards.

Mr. Gao Xiang concluded "The good results of CIMC Enric didn't come easy, we sincerely thank our shareholders, customers, suppliers and business partners for their longstanding trust and support. We believe CIMC Enric will have tremendous growth opportunities in the clean energy, chemical and environmental and liquid food sectors in 2019, still it will also be a year full of challenges. Pursuant to the special mandate granted at the Extraordinary General Meeting, the Company adopted its first ever restrictive share award scheme in 2018, providing a significant boost to the unity of its core management which should effectively motivate them to seize opportunities in the market and deliver outstanding results."

#### **About CIMC Enric Holdings Limited**

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

For enquiries, please contact **LBS Communications Consulting Limited**

Pauline Fu                      Tel : (852) 3752 2674    E-mail : [pfu@lbs-comm.com](mailto:pfu@lbs-comm.com)

Kevin Lok                      Tel : (852) 3752 2674    E-mail : [klok@lbs-comm.com](mailto:klok@lbs-comm.com)